C2W MUSIC LIMITED

YEAR ENDED DECEMBER 31, 2012

CONTENTS

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INDEPENDENT AUDITORS' REPORT

To the members of

C2W MUSIC LIMITED

Report on the Financial Statements

We have audited the financial statements of C2W Music Limited (the company), set out on pages 2 to 26, which comprise the statement of financial position as at December 31, 2012, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year ended December 31, 2012, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards and the requirements of the Companies Act, 2004 of Jamaica and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on the financial statements (Cont'd)

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the company as at December 31, 2012, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on additional requirements of the Companies Act, 2004 of Jamaica

We have obtained all the information and explanations which, to the best of our knowledge and belief, were necessary for the purposes of our audit.

In our opinion, proper accounting records have been maintained and the financial statements are in agreement therewith and give the information required in the manner so required.

Deloitte & Touche
Chartered Accountants

Kingston, Jamaica
March 20, 2013

C2W MUSIC LIMITED

STATEMENT OF FINANCIAL POSITION AT DECEMBER 31, 2012

	Notes	2012 US$	2011 US$
ASSETS			
Non-current assets			
Property and equipment	5	15,271	-
Intangible asset	6	16,446	-
Advances to songwriters	7	216,878	25,000
Total non-current assets		248,595	25,000
Current assets			
Trade and other receivables	8	45,534	5,509
Advances to songwriters	7	24,638	-
Due from related parties	9	5,814	5,814
Cash and bank deposits	10	383,971	4,987
Total current assets		459,957	16,310
Total assets		708,552	41,310
EQUITY AND LIABILITIES			
Shareholders' equity (deficit)			
Share capital	11	1,286,619	5,814
Accumulated deficit		(603,273)	(20,504)
Total shareholders' equity (deficiency)		683,346	(14,690)
Current liabilities			
Trade payables	12	25,206	2,750
Due to related parties	9	-	53,250
Total current liabilities		25,206	56,000
Total equity and liabilities		708,552	41,310

The Notes on Pages 6 to 26 form an integral part of the Financial Statements.

The Financial Statements on Pages 2 to 26 were approved and authorised for issue by the Board of Directors on March 20, 2013 and are signed on its behalf by:

Director

Director

C2W MUSIC LIMITED

STATEMENT OF COMPREHENSIVE INCOME

	Notes	Year Ended December 31, 2012 US$	Period November 24 to December 31, 2011 US$
Fees and royalties	13	6,252	-
Interest income		5,643	10
Sponsorship income	14	94,571	-
Song writing camps and development expenses		(273,576)	-
Administrative expenses		(412,807)	(20,514)
Finance costs	15	(2,852)	-
NET LOSS AND TOTAL COMPREHENSIVE IINCOME FOR THE YEAR	16	(582,769)	(20,504)
Loss per share	17	(0.16) cents	(0.007) cents

The Notes on Pages 6 to 26 form an integral part of the Financial Statements.

C2W MUSIC LIMITED

STATEMENT OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31, 2012

	Note	Share Capital US$	Accumulated Deficit US$	Total US$
Balance at January 1, 2011		-	-	-
Issue of ordinary shares		5,814	-	5,814
Net loss for the period and total comprehensive income		-	(20,504)	(20,504)
Balance at December 31, 2011		5,814	(20,504)	(14,690)
Net loss for the year and total comprehensive income		-	(582,769)	(582,769)
Issue of ordinary shares		1,471,704	-	1,471,704
Share issue costs	11	(190,899)	-	(190,899)
Balance at December 31, 2012		1,286,619	(603,273)	683,346

The Notes on Pages 6 to 26 form an integral part of the Financial Statements.

C2W MUSIC LIMITED

STATEMENT OF CASH FLOWS

	Note	Year Ended December 31, 2012 US$	Period November 24 to December 31, 2011 US$
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss for the year		(582,769)	(20,504)
Adjustments for:			
Depreciation and amortisation		2,672	-
Finance costs		2,852	-
Interest income		(5,643)	(10)
Operating cash flows before movements in working capital		(582,888)	(20,514)
Increase in accounts receivable		(40,025)	(5,509)
Increase in accounts payable		22,456	2,750
(Decrease) Increase in related party balance (net)		(53,250)	47,436
Cash (used in) provided by operations		(653,707)	24,163
Interest paid		(2,852)	-
Net cash (used in) provided by operating activities		(656,559)	24,163
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property and equipment		(16,449)	-
Payments for intangible assets		(17,940)	-
Interest received		5,643	10
Increase in advances to songwriters		(216,516)	(25,000)
Net cash used in investing activities		(245,262)	(24,990)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares		1,471,704	5,814
Payment for share issue costs		(190,899)	-
Net cash provided by financing activities		1,280,805	5,814
NET CHANGE IN CASH AND CASH EQUIVALENTS		378,984	4,987
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		4,987	-
CASH AND CASH EQUIVALENTS AT END OF YEAR	10	383,971	4,987

The Notes on Pages 6 to 26 form an integral part of the Financial Statements.

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

1 IDENTIFICATION

(a) C2W Music Limited (the company) is a limited liability company incorporated and domiciled in Jamaica. The company is listed on the Junior Stock Exchange. The registered office is situated at 1 Ardenne Road, Kingston 10, Jamaica.

(b) 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. These financial statements do not reflect any trading activities for the two months ended December 31, 2011 as the company was still in the startup phase.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 ***New and revised Standards and Interpretations*** **affecting the reported financial performance and/or financial position or disclosure**

There were no Standards or Interpretations effective in the current year that affected the presentations or disclosures in the financial statements or the reported financial performance or position.

Details of other new and revised Standards and Interpretations applied in the financial statements but which had no effect on the amounts reported are set out in Note 2.2.

2.2 ***New and revised standards applied with no effect on the financial statements***

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (annual periods beginning on or after July 1, 2011)

The amendments:

- Replace references to a fixed date of ‘January 1, 2004’ with ‘the date of transition to IFRSs’, thus eliminating the need for companies adopting IFRSs for the first time to restate derecognition transactions that occurred before the date of transition to IFRSs.

- Provide guidance on how an entity should resume presenting financial statements in accordance with IFRSs after a period when the entity was unable to comply with IFRSs because its functional currency was subject to severe hyperinflation.

Amendments to IFRS 7 disclosures – Transfers of Financial Assets (annual periods beginning on or after July 1, 2011)

- The amendments increase the disclosure requirements for transactions involving the transfer of financial assets in order to provide greater transparency around risk exposures when financial assets are transferred.

Amendments to IAS 12 deferred Tax: Recovery of Underlying Assets (annual periods beginning on or after January 1, 2012)

- Under the amendments, investment properties that are measured using the fair value model in accordance with IAS 40 Investment Property are presumed to be recovered entirely through sale for the purposes of measuring deferred taxes unless the presumption is rebutted.

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Cont'd)

2.3 *New and revised IFRSs and Interpretations in issue but not yet effective*

At the date of authorisation of these financial statements, the following new Standards and Interpretations and amendments to those in issue were not yet effective or early adopted for the financial period being reported upon:

		Effective for annual periods beginning on or after
IAS 1, 16, 32, 34 and IFRS 1 (Revised)	Amendments arising from 2009 – 2011 Annual Improvements to IFRS	January 1, 2013
IAS 1 (Revised)	Presentation of Financial Statements - Amendments to revise the way other comprehensive income is presented	July 1, 2012
IAS 19 (Revised)	Employee Benefits - Amended Standard resulting from the Post-Employment Benefits and Termination Benefits projects	January 1, 2013
IAS 27 (Revised)	Separate Financial Statements	January 1, 2013
IAS 28 (Revised)	Investments in Associates and Joint Ventures	January 1, 2013
IAS 32 (Revised)	Financial Instruments: Presentation - Amendments to application guidance on the offsetting of financial assets and financial liabilities	January 1, 2014
IFRS 1 (Revised)	First-time Adoption of International Financial Reporting Standards: Amendments for government loan with a below market rate of interest when transitioning to IFRS	January 1, 2013
IFRS 7 (Revised)	Financial Instruments: Disclosures - Amendments enhancing disclosures about offsetting financial assets and financial liabilities	January 1, 2013
IFRS 7 and 9	Amendments requiring disclosures about the initial application of IFRS 9	January 1, 2015
IFRS 9	Financial Instruments - Classification and Measurement of financial assets	January 1, 2015
IFRS 10	Consolidated Financial Statements	January 1, 2013
IFRS 11	Joint Arrangements	January 1, 2013
IFRS 12	Disclosure of Interests in Other Entities	January 1, 2013
IFRS 13	Fair Value Measurement	January 1, 2013
IFRS 10, 12 and IAS 27	Consolidated Financial Statements, Disclosure of Interests in Other Entities, and Separate Financial Statements - Amendments for investment entities	January 1, 2014
IFRS 10, 11, and 12	Consolidated Financial Statements, Joint Arrangements, and Disclosure of Interests in Other Entities - Transition guidance	January 1, 2013
IFRIC 20	Stripping Costs in the Production Phase of a Surface Mine	January 1, 2013

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Cont'd)

2.4 *New and Revised Standards and Interpretations in Issue not yet effective that are relevant*

The Board of Directors and management have assessed the impact of all new and revised Standards and Interpretations in issue not yet effective and have concluded that the following are relevant to the operations of the company:

- Annual Improvements to IFRS 2009 – 2011 Cycle issued in May 2012

  The Annual Improvements to IFRS 2009 – 2011 Cycle include a number of amendments to various IFRS. The amendments are effective for annual periods beginning on or after January 1, 2013. Amendments to IFRS include:

  - amendments to IAS 16 *Property, Plant and Equipment*; and
  - amendments to IAS 32 *Financial Instruments: Presentation*

  Amendments to IAS 16

  The amendments to IAS 16 clarify that spare parts, stand-by equipment and servicing equipment should be classified as property, plant and equipment when they meet the definition of property, plant and equipment in IAS 16 and as inventory otherwise. The directors do not anticipate that the amendments to IAS 16 will have a significant effect on the company's financial statements.

  Amendments to IAS 32

  The amendments to IAS 32 clarify that income tax relating to distributions to holders of an equity instrument and to transaction costs of an equity transaction should be accounted for in accordance with IAS 12 *Income Taxes*. The directors anticipate that the amendments to IAS 32 will have no effect on the company's financial statements as the company has already adopted this treatment.

- The amendments to IAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to IAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss; and (b) items that will be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis.

  The amendments to IAS 1 are effective for annual periods beginning on or after July 1, 2012. The presentation of items of other comprehensive income will be modified accordingly when the amendments are applied in the future accounting periods.

- Amendments to IFRS 7 and IAS 32 *Offsetting Financial Assets and Financial Liabilities and the related disclosures*

  The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically, the amendments clarify the meaning of "currently has a legally enforceable right of set-off" and "simultaneous realisation and settlement".

  The amendments to IFRS 7 require entities to disclose information about rights of offset and related arrangements (such as collateral posting requirements) for financial instruments under an enforceable master netting agreement or similar arrangement.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Cont'd)

2.4 *New and Revised Standards and Interpretations in Issue not yet effective that are relevant (Cont'd)*

- Amendments to IFRS 7 and IAS 32 Offsetting Financial Assets and Financial Liabilities and the related disclosures (Cont'd)

  The amendments to IFRS 7 are effective for annual periods beginning on or after January 1, 2013 and interim periods within those annual periods. The disclosures should be provided retrospectively for all comparative periods. However, the amendments to IAS 32 are not effective until annual periods beginning on or after January 1, 2014, with retrospective application required. The directors do not anticipate that the amendment will have a significant effect on the company's financial statements.

- IFRS 9 Financial Instruments

  IFRS 9, issued in November 2009, introduced new requirements for the classification and measurement of financial assets. IFRS 9 was amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition.

  Key requirements of IFRS 9:

  - All recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

  - With regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability, that is attributable to changes in the credit risk of that liability, is presented in other comprehensive income, unless the recognition of the effects of change in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss as presented in profit or loss.

  The directors and management anticipate that IFRS 9 will be adopted in the company's financial statements for the annual period beginning January 1, 2015 and that the application of IFRS 9 may impact the amounts reported in respect of the company's financial assets and liabilities. However, the directors have not yet performed a detailed analysis of the impact of the application of the amendments and hence have not yet quantified the extent of the likely impact.

2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (Cont'd)

2.4 *New and Revised Standards and Interpretations in Issue not yet effective that are relevant (Cont'd)*

- IFRS 13 *Fair Value Measurement*

  IFRS 13 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The Standard defines fair value, establishes a framework for measuring fair value, and requires disclosures about fair value measurements. The scope of IFRS 13 is broad; it applies to both financial instrument items and non-financial instrument items for which other IFRS require or permit fair value measurements and disclosures about fair value measurements, except in specified circumstances. In general, the disclosure requirements in IFRS 13 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under IFRS 7 *Financial Instruments: Disclosures* will be extended by IFRS 13 to cover all assets and liabilities within its scope.

  IFRS 13 is effective for annual periods beginning on or after January 1, 2013, with earlier application permitted.

  The directors and management have not yet assessed the impact of the IFRS on the financial statement on adoption at its effective date.

3 SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

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.

Basis of preparation

The financial statements have been prepared on the historical cost basis as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

These financial statements are expressed in United States of America dollars, which is the company's functional currency.

The principal accounting policies are set out below:

Property and equipment

Property and equipment for use in the production or supply of goods and services, or held for administrative purposes are recorded at historical or deemed cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

Depreciation is recognised so as to write off the cost of assets using the straight line method over a period being the shorter of their estimated useful lives and the remaining concession period. The estimated useful lives, residual values and depreciation methods are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

An item of property and equipment is derecognised upon disposal or where no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Intangible assets

Intangible assets with finite useful lives that are acquired separately are reported at cost less accumulated amortisation and accumulated impairment losses. Amortisation is charged so as to write off the cost of the assets over the estimated useful life. The estimated useful life and amortisation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Impairment of tangible and intangible assets

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets not yet available for use are tested for impairment at lease annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of the fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value (other than financial assets and financial liabilities at fair value through profit or loss). Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities 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 recognised immediately in profit or loss.

The fair values of financial instruments are highlighted at Note 18.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets

Financial assets are classified as loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition. All regular way purchases or sales of financial assets are recognised and de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or where appropriate, a shorter period to their net carrying amount on initial recognition.

(a) *Loans and receivables*

These are non-derivative financial assets that have fixed or determinable payments and are not quoted in an active market. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The company's portfolio of loans and receivables comprise amounts due from related parties (See Related Party below), trade and other receivables, advances to songwriters, and cash and bank deposits.

(b) *Impairment of financial assets*

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been affected.

Objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- breach of contract, such as a default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

For certain categories of financial assets, such as trade receivables, assets are assessed for impairment on a collective basis even if they are assessed not to be impaired individually. Objective evidence of impairment for a portfolio of receivables could include the company"s past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period of 60 days, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment loss recognised is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial assets (Cont'd)

(b) *Impairment of financial assets (Cont'd)*

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

For financial assets carried at amortised cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

(c) *Derecognition of financial assets*

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

On derecognition of a financial asset other than in its entirety (e.g., when the company retains an option to repurchase part of a transferred asset, the company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

Financial liabilities and equity instruments issued by the company

Classification as debt or equity

Debt and equity instruments issued by the company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement, and the definitions of a liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the company are recognised at the proceeds received, net of direct issue costs.

No gain or loss is recognised in profit or loss in the purchase, sale, issue or cancellation of the company's own equity instruments.

Financial liabilities

Financial liabilities are classified as other financial liabilities.

Other financial liabilities

Other financial liabilities, including trade and other payables and amounts due from related parties, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities
The company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Financial instruments (Cont'd)

***Financial liabilities and equity instruments issued by the company* (Cont'd)**

Related party

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 recognised and disclosed in the financial statements.

Transactions with related parties are recorded in accordance with the normal policies of the company at transaction dates.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts for services provided in the normal course of business, net of discounts.

Royalties

Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement (provided that it is probable that the economic benefits will flow to the company and the amount of revenue can be measured reliably). Royalties determined on a time basis are recognised on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognised by reference to the underlying arrangement.

Interest income

Interest income is recognised 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 time 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.

Sponsorship income

Sponsorship income is not recognised until there is reasonable assurance that the income will be received.

Sponsorship income is recognised in profit or loss on a systematic basis over the period in which the company recognises as expenses the related costs for which the sponsorships are intended to compensate.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Revenue recognition (Cont'd)

Sponsorship income (Cont'd)

Sponsorship income that is receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support to the company with no future related costs is recognised in profit or loss in the period in which they become receivable.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets until such time as the assets are substantially ready for their intended use. These costs are recorded as part of construction work in progress.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the profit or loss in the period in which they are incurred.

Taxation

Entities listed on the Junior Stock Exchange in Jamaica benefit from tax incentives of tax rates of 0% in years 1 – 5, and 50% of regular tax rates in years 6 – 10. Consequently, no provision for taxation is reflected in these financial statements.

Income tax expense represents the sum of the tax currently payable and deferred tax.

<u>Current tax</u>

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the statement of comprehensive income because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantially enacted at the end of the reporting period.

<u>Deferred tax</u>

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3 SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation (Cont'd)

Deferred tax for the year

Deferred tax is recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Foreign currencies

Transactions in currencies other than the United States of America Dollars, the company's functional currency, are recognised 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 recognised in profit or loss for the period in which they arise.

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the company's accounting policies, which are described in Note 3, 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 recognised 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.

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 recognised in the financial statements.

Key sources of estimation uncertainty

Management is of the opinion that there were no critical 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.

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

5 PROPERTY AND EQUIPMENT

	Signage $	Computer Equipment $	Office Equipment $	Total $
Cost				
At January 1, 2012	-	-	-	-
Additions	1,237	14,468	744	16,449
At December 31, 2012	1,237	14,468	744	16,449
Accumulated depreciation				
At January 1, 2012	-	-	-	-
Charge for the period	41	1,112	25	1,178
At December 31, 2012	41	1,112	25	1,178
Carrying amount				
At December 31, 2012	1,196	13,356	719	15,271
At December 31, 2011	-	-	-	-

The following useful lives are used in the calculation of depreciation:

Signage	10 years
Computer equipment	3 years
Office equipment	10 years

6 INTANGIBLE ASSET

	Computer Software $
Cost	
January 1 and December 31, 2011	-
Additions	17,940
December 31, 2012	17,940
Amortisation	
January 1 and December 31, 2011	-
Charge for the year	1,494
December 31, 2012	1,494
Net book value	
December 31, 2012	16,446
December 31, 2011	-

Amortisation of the computer software is calculated based on an estimated useful life of 3 years.

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

7 ADVANCES TO SONGWRITERS

	2012	2011
	US$	US$
Advances:		
Non-current	216,878	25,000
Current	24,638	-
	241,516	25,000

This represents advances to songwriters to be recouped from earnings in future periods. Advances to songwriters are treated as current assets to the extent that it is expected that such amount will be recouped within the next twelve month period.

8 TRADE AND OTHER RECEIVABLES

	2012	2011
	US$	US$
Trade receivable	3,415	-
Prepaid expenses	31,958	5,509
Other receivable	8,750	-
Withholding taxes	1,411	-
	45,534	5,509

The average credit period allowed for receivables is 60 days. The company will provide fully for all receivables outstanding in excess of one year as management believes receivables that are past due beyond this period are generally not recoverable.

The above balances are unsecured and are interest free and will be settled in cash. No guarantees have been given or received in respect of these balances.

There were no past due or impaired trade receivables at the reporting date.

9 RELATED PARTY BALANCES AND TRANSACTIONS

Due from/to related parties as at December 31, were:

	Due from Related Parties		Due to Related Parties	
	2012	2011	2012	2011
	US$	US$	US$	US$
Shareholder's advance (Note 9 (a))	-	-	-	7,250
Advances from other related parties (Note 9 (b))	-	-	-	46,000
Receivable from directors	5,814	5,814	-	-
	5,814	5,814	-	53,250

(a) This amount was advanced to the company on December 8, 2011 by way of non-interest bearing demand loan. The amounts were repaid in full during the year.

(b) 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. These amounts were repaid in full during the year.

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

9 RELATED PARTY BALANCES AND TRANSACTIONS (Cont'd)

No guarantees were given or received in respect of these balances.

Material transactions with related parties were as follows:

	2012	2011
	US$	US$
Contribution to capital	-	5,814
Key management compensation	135,417	-

10 CASH AND BANK DEPOSITS

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand, and short-term investments.

Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the statement of financial position as follows:

	2012	2011
	US$	US$
Cash and bank balances	12,976	-
Short-term investments	370,995	4,987
	383,971	4,987

Short-term investments at the end of the reporting period were non-interest bearing (2011: 1.8%). Bank balance attracts interest at a rate of 0.05% (2011: Nil). Included in this amount is J$16,795,368 (2011: Nil), being held in a current account.

11 SHARE CAPITAL

	2012	2011
	No. of Shares	No. of Shares
	'000	'000
Authorized capital:		
1,000,000,000 Ordinary stock, January 1, 2012 and December 31, 2012		
Issued and fully paid:		
- Ordinary stock – no par value, January 1	300,000	-
- Issued during the year		
Ordinary stock – no par value	100,000	300,000
Issued and fully paid, December 31	400,000	300,000

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

11 SHARE CAPITAL (Cont'd)

	2012 US$	2011 US$
Stated capital:		
Issued and fully paid:		
At January 1	5,814	-
Issue of Ordinary stock	1,471,704	5,814
Less: Issue cost	(190,899)	-
At December 31	1,286,619	5,814

The company raised additional capital of J$129 million from its IPO on May 17, 2012. Transaction costs of approximately US$0.191 million were incurred. All ordinary stock carries the same voting rights.

12 TRADE PAYABLES

	2012 US$	2011 US$
Trade payables	25,206	2,750

Payables principally comprise amounts outstanding for professional services.

13 FEES AND ROYALTIES

These comprise:

	2012 US$	Period November 24 to December 31, 2011 US$
Performance royalties	3,164	-
Publishing fees	125	-
Synchronization royalties	2,963	-
	6,252	-

14 SPONSORSHIP INCOME

This represents amounts funded for songwriters camps held during the year.

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

15 FINANCE COSTS

	2012 US$	Period November 24 to December 31, 2011 US$
Loan interest	2,852	-

16 NET LOSS

	2012 US$	Period November 24 to December 31, 2011 US$
The following are included in the determination of net loss:		
Depreciation and amortisation	2,672	-
Audit fees	12,815	2,750
Finance costs	2,852	-
Interest income	5,643	-
Contract for services	152,076	-

17 LOSS PER SHARE

Basic loss per share is calculated by dividing the loss by the weighted average number of ordinary shares in issue.

	2012 US$	Period November 24 to December 31, 2011 US$
Loss	582,769	20,504
Weighted average number of ordinary shares	362,465,753	300,000,000
Basic loss per share (in U.S. cents)	0.16	0.007

18 FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 3 to the financial statements.

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

18 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)**

Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	2012	2011
	US$	US$
Financial Assets		
Loans and receivables (at amortised cost)		
(including cash and cash equivalents)	643,466	29,987
Financial Liabilities		
Other financial liabilities (at amortised cost)	25,206	56,000

Financial risk management policies and objectives

The financial risk management seeks to minimize potential adverse effects of financial performance of the company and covers specific areas, such as market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and other price risk), credit risk and liquidity risk.

The activity of the company consists of obtaining intellectual property rights, namely licensing and publication rights to songs developed by Caribbean songwriters.

The financial liabilities of the company mainly consist of trade payables and advances from related parties for which payment is due on demand or within a period of thirty days.

Exposures are measured using sensitivity analyses indicated below.

(a) Market risk

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market. Except in respect of foreign currencies, as disclosed in Note (18 (a)(i)) below and interest rates, as disclosed in Note (18 (a)(ii)) below, the company has no exposure to market risk.

(i) Foreign exchange risk management

The company undertakes certain transactions denominated in currencies other than the United States dollar resulting in exposures to exchange rate fluctuations.

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Management consistently monitors the company's exposure in this regard.

The carrying amounts of foreign currency denominated monetary assets and monetary liabilities arising in the ordinary course of business at the reporting date are as follows:

	Liabilities		Assets		Net Liabilities	
	2012	2011	2012	2011	2012	2011
	US$	US$	US$	US$	US$	US$
Jamaican dollars	-	-	183,347	-	183,347	-
Canadian dollars	4,014	24,437	14,636	-	10,622	24,437

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

18 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)**

Financial risk management policies and objectives (Cont'd)

(a) Market risk (Cont'd)

(i) Foreign exchange risk management (Cont'd)

Foreign currency sensitivity

The following table details the sensitivity to 1% increase and 10% decrease (2011: 0.5% increase and decrease) in the United States dollar against the relevant currency. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% increase and 10% decrease in foreign currency rates.

If the United States dollar strengthens by 1% or weakens by 10% against the relevant foreign currency, profit or loss will decrease or increase by:

	2012				2011	
	Revaluation		Devaluation		Revaluation/Devaluation	
	Change in Currency Rates	Effect on Profit or Loss	Change in Currency Rates	Effect on Profit or Loss	Change in Currency Rates	Effect on Profit or Loss
	%	US$	%	US$	%	US$
Currency						
Canadian Dollar	+1	106	10	(1,063)	0.5	122
Jamaican Dollar	+1	1,833	10	(18,335)	-	-

This is mainly attributable to the exposure outstanding on payables denominated Canadian dollars and outstanding cash and cash equivalent denominated in Jamaican dollars at the end of the reporting period of the company.

(ii) Interest rate risk management

Interest rate risk is the potential that the value of a financial instrument will fluctuate due to changes in market interest rates as a result of cash flow or fair value interest rate risk. Financial instruments subject to fixed interest rates are exposed to fair value interest rate risk while those subject to floating interest rates are exposed to cash flow risk.

The company's exposure to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section at Note 18 (c) below.

The company's exposure to interest rate risk is minimal and this arises only on cash and bank balances which are insignificant at the end of the reporting period.

(b) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the company.

Financial assets that potentially subject the company to concentration of credit risk consist principally of cash and bank deposits, amounts due from related parties, advances to songwriters and trade receivables. The maximum exposure to credit risk is the amount of approximately US$639,083 (2011: US$29,987) disclosed under 'categories of financial instruments' above and the company holds no collateral in this regard. The directors believe that the credit risks associated with these financial instruments are minimal.

C2W MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

18 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)**

Financial risk management policies and objectives (Cont'd)

(b) Credit risk management (Cont'd)

The credit risk on cash and bank deposits is limited because the counterparties are reputable banks.

In respect of the advances to songwriters, concentration of risk is spread over several songwriters.

(c) Liquidity risk management

Liquidity risk, also referred to as funding risk, is the risk that the company will encounter difficulty in meeting commitments associated with financial instruments. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents, and the availability of funding through an adequate amount of committed facilities. Due to the nature of the underlying business, the management of the company maintains an adequate amount of its financial assets in liquid form to meet contractual obligations and other recurring payments.

Liquidity and interest risk analyses in respect of non-derivative financial liabilities

Non-derivative financial liabilities

The following tables detail the company's remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the company can be required to pay.

	Weighted Average Effective Interest Rate	On Demand or Within 1 Year	Total
	%	US$	US$
2012			
Non-interest bearing	Nil	25,206	25,206
2011			
Non-interest bearing	Nil	56,000	56,000

Non-derivative financial assets

The following table details the company's expected maturity for its non-derivative financial assets. The tables below have been drawn up based on the undiscounted contractual maturities of the financial assets including interest that will be earned on those assets except where the company anticipates that the cash flow will occur in a different period.

	Weighted Average Effective Interest Rate	On Demand or Within 1 Year	Total
	%	US$	US$
2012			
Non-interest bearing	Nil	641,966	641,966
Interest bearing	0.05	1,500	1,500
		643,466	643,466

18 **FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (Cont'd)**

(c) Liquidity risk management (Cont'd)

	Weighted Average Effective Interest Rate	On Demand or Within 1 Year	Total
	%	US$	US$
2011			
Non-interest bearing	Nil	25,000	25,000
Interest bearing	1.8	4,994	4,994
		29,994	29,994

(d) Fair value of financial assets and financial liabilities

In assessing the fair value of financial instruments, the company uses a variety of methods and makes assumptions that are based on market conditions existing at the end of the reporting period. The estimated fair values have been determined using available market information and appropriate valuation methodologies. However, considerable judgement is necessarily required in interpreting market data to develop estimates of fair value.

The fair values of the company's financial instruments were estimated as follows:

The carrying amount of financial assets and liabilities with a maturity of less than one year are estimated to approximate their fair values. These financial assets and liabilities are cash and bank deposits, trade and other receivables, advances to songwriters and amounts due (to) from related parties. The fair value of the long-term portion of advances to songwriters has not been calculated as recovery period has not yet been determined.

Capital risk management policies and objectives

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the equity balance.

The capital structure of the company consists of cash and bank deposits and equity attributable to equity holders, comprising share capital and accumulated deficit.

ADDITIONAL INFORMATION

REPORT TO THE DIRECTORS OF

C2W MUSIC LIMITED

ON

ADDITIONAL INFORMATION

Our examination of the financial statements of the company for the year ended December 31, 2012 was intended primarily for the purpose of formulating an opinion on those financial statements taken as a whole. The additional information presented in page 2 has been taken from accounting and other records of the company and is not necessary to give a true and fair view of the state of affairs of the company at December 31, 2012 or of its operations, changes in equity and cash flows for the year then ended. Such information has not been subjected to sufficient tests and other auditing procedures to enable us to express an opinion as to the fairness of all the details included therein and accordingly we do not express an opinion on the additional information.

Deloitte & Touche
Chartered Accountants

Kingston, Jamaica
March 20, 2013

C2W MUSIC LIMITED

EXPENSES

YEAR ENDED DECEMBER 31, 2012

SONGWRITING CAMPS AND DEVELOPMENT EXPENSES

	2012 US$	Period November 24 to December 31, 2011 US$
Accommodation	141,375	-
Travel	117,234	-
Mixing and sound system	8,123	-
Equipment rental	760	-
Photography/videography	3,834	-
Camp consultant	2,250	-
	273,576	-

ADMINISTRATIVE EXPENSES

	2012 US$	Period November 24 to December 31, 2011 US$
Audit fees	12,815	2,750
Accounting fees	24,116	1,175
Website development and maintenance	14,286	-
Bank charges	12,532	-
Salaries	135,417	-
Telephone	2,273	-
Computer and internet expense	6,415	-
Rent	1,748	-
Other expenses	531	-
Insurance	5,946	371
Stationery and other office expense	2,077	110
Legal and professional fees	15,963	16,108
Managerial travel and accommodation	38,412	-
Company secretary	3,117	-
Advertising and promotion	87,141	-
Depreciation and amortisation	2,672	-
Exchange loss	47,346	-
	412,807	20,514