

C2W MUSIC LIMITED

FINANCIAL STATEMENTS

(UNAUDITED)

THREE (3) MONTHS ENDED MARCH 31, 2013

C2W MUSIC LIMITED
FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

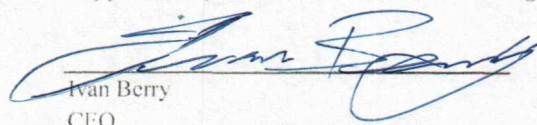
CONTENTS

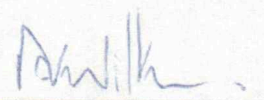
	PAGE (S)
STATEMENT OF FINANCIAL POSITION	1
STATEMENT OF COMPREHENSIVE INCOME	2
STATEMENT OF CHANGES IN EQUITY	3
STATEMENT OF CASH FLOWS	4
NOTES TO THE FINANCIAL STATEMENTS	5 - 17

C2W MUSIC LIMITED
STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

	<u>Notes</u>	Unaudited Three (3) months ended March 31, 2013 <u>US\$</u>	Unaudited Three (3) months ended March 31, 2012 <u>US\$</u>	Audited Year ended December 31, 2012 <u>US\$</u>
ASSETS				
Non-Current assets				
Property and equipment	3	15,105	-	15,271
Intangible asset	4	14,951	-	16,446
Advances to songwriters	5	276,711	58,281	216,878
		<u>306,767</u>	<u>58,281</u>	<u>248,595</u>
Current assets				
Trade and other receivables	6	16,895	5,823	45,534
Due from related parties		5,814	5,814	5,814
Advances to songwriters	5	27,317	-	24,638
Cash and cash equivalents	7	155,451	3,675	383,971
Total current assets		<u>205,477</u>	<u>15,312</u>	<u>459,957</u>
Total assets		<u>512,244</u>	<u>73,593</u>	<u>708,552</u>
EQUITY & LIABILITIES				
Equity				
Share capital	8	1,286,619	5,814	1,286,619
Accumulated deficit		(792,444)	(69,975)	(603,273)
Total equity		<u>494,175</u>	<u>(64,161)</u>	<u>683,346</u>
Current liabilities				
Due to related parties		-	53,250	-
Trade and other payables	9	18,069	84,504	25,206
Total current liabilities		<u>18,069</u>	<u>137,754</u>	<u>25,206</u>
Total equity and liabilities		<u>512,244</u>	<u>73,593</u>	<u>708,552</u>

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)
THREE (3) MONTHS ENDED MARCH 31, 2013

	Unaudited	Unaudited	Audited
	Three (3) months	Three (3)	Year ended
	ended	months ended	December 31,
	March 31,	March 31,	December 31,
	2013	2012	2012
Notes	US\$	US\$	US\$
Revenues:			
Performance royalty	149	-	3,165
Publishing fees	1,231	-	125
Synchronization royalty	-	-	2,963
Total revenues	1,380	-	6,253
Less expenses:			
Song writing camps and development expenses	10 67,246	33,281	273,576
IPO expenses	-	12,645	-
Administrative expenses	11 130,805	2,755	412,807
	(198,051)	(48,681)	(686,383)
Operating loss	(196,671)	(48,681)	(680,130)
Finance costs	12 -	(807)	(2,852)
Loss for the period	(196,671)	(49,488)	(682,982)
Other income:			
Sponsorship income	7,500	-	94,571
Interest income	-	17	5,643
	7,500	17	100,214
Net loss, being total comprehensive expense			
for the period / year	(189,171)	(49,471)	(582,768)
Loss per stock unit:	13 (0.05) cents	(0.02) cents	(0.16) cents

C2W MUSIC LIMITED
STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

	Share Capital <u>US\$</u>	Accumulated deficit <u>US\$</u>	Total <u>US\$</u>
Balances at December 31, 2011	5,814	(20,504)	(14,690)
Net loss for the period and total comprehensive expense	<u>-</u>	<u>(49,471)</u>	<u>(49,471)</u>
Unaudited balances at March 31, 2012	<u>5,814</u>	<u>(69,975)</u>	<u>(64,161)</u>
Audited balances at December 31, 2012	<u>1,286,619</u>	<u>(603,273)</u>	<u>683,346</u>
Net loss, for the period and total comprehensive expense	<u>-</u>	<u>(189,171)</u>	<u>(189,171)</u>
Unaudited balances at March 31, 2013	<u><u>1,286,619</u></u>	<u><u>(792,444)</u></u>	<u><u>494,175</u></u>

C2W MUSIC LIMITED
STATEMENT OF CASH FLOWS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

	Unaudited Three (3) months ended March 31, 2013 <u>US\$</u>	Unaudited Three (3) months ended March 31, 2012 <u>US\$</u>	Audited Year ended December 31, 2012 <u>US\$</u>
Net loss for the period / year	(189,171)	(49,471)	(582,769)
Adjustments for:			
Depreciation and amortization	2,784	-	2,672
Finance costs	-	807	2,852
Interest income	-	(17)	(5,643)
Operating cash flows before movements in working capital	(186,387)	(48,681)	(582,888)
(Increase) / decrease in operating assets			
Trade and other receivables	28,639	(314)	(40,025)
(Decrease) / increase in operating liabilities			
Accounts payable	(7,139)	81,754	22,456
Related party balance (net)	-	-	(53,250)
Net cash used in operations	(164,887)	32,759	(653,707)
Interest paid	-	(807)	(2,852)
Net cash (used in) / provided by operating activities	(164,887)	31,952	(656,559)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	(1,121)	-	(16,449)
Acquisition of intangible assets	-	-	(17,940)
Interest received	-	17	5,643
Advance to songwriters	(62,513)	(33,281)	(216,516)
Net cash used in investing activities	(63,634)	(33,264)	(245,262)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares	-	-	1,471,704
Payment for share issue costs	-	-	(190,899)
Net cash provided by financing activities	-	-	1,280,805
NET CHANGE IN CASH AND CASH EQUIVALENTS	(228,520)	(1,312)	378,984
CASH AND CASH EQUIVALENTS			
AT BEGINNING OF YEAR	383,971	4,987	4,987
CASH AND CASH EQUIVALENTS			
AT THE END OF PERIOD / YEAR	155,451	3,675	383,971

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

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.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of preparation

The interim financial statements have been prepared under 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 interim financial report is to be read in conjunction with the audited financial statements for the year ended December 31, 2012. 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, 2012.

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.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

2. 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 least 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.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

Trade and other receivables

Trade and other receivables are stated at amortized cost.

Appropriate allowances for estimated irrecoverable amounts are recognised in the statement of comprehensive income when there is objective evidence that the asset is impaired.

Trade payables

Trade payables are stated at amortized cost.

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 he 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 the statement of comprehensive income on a systematic basis over the period in which the company recognises as expenses the related costs for which the sponsorships are for the purpose intended to compensate. 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.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 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.

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.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

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. 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 recognised immediately in profit or loss.

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
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

Taxation

Taxation is based on profit for the period adjusted for taxation purposes and comprises income tax at 33 1/3%.

The Minister of Finance and the Public Service, issued and gazetted the Income Tax (Jamaica Stock Exchange Junior Market) (Remission) Notice, August 2009. The Notice effectively granted a remission of income tax to eligible companies that were admitted to the Junior Stock Exchange (JSE). Effective May 29, 2012, the Company's shares were listed on the JSE and consequently, the Company is entitled to a remission of income taxes for ten years in the proportion detailed below:

Years 1 to 5 (29 May 2012– 30 April 2017) – 100%

Years 6 to 10 (1 May 2017 – 30 April 2022) – 50 %

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

3. PROPERTY AND EQUIPMENT

	Signage US\$	Computer equipment US\$	Digital equipment US\$	Office equipment US\$	Total US\$
At Cost					
At January 1, 2013	1,237	14,468	-	744	16,449
Additions	-	-	1,122	-	1,122
End of period	<u>1,237</u>	<u>14,468</u>	<u>1,122</u>	<u>744</u>	<u>17,571</u>
Accumulated depreciation					
At January 1, 2013	41	1,112	-	25	1,178
Charge for the period	31	1,206	33	18	1,288
End of period	<u>72</u>	<u>2,318</u>	<u>33</u>	<u>43</u>	<u>2,466</u>
Carrying amount					
End of period	<u>1,165</u>	<u>12,150</u>	<u>1,089</u>	<u>701</u>	<u>15,105</u>
End of prior year	<u>1,196</u>	<u>13,356</u>	<u>-</u>	<u>719</u>	<u>15,271</u>

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

Signage	10 years
Computer equipment	3 years
Office equipment	10 years
Digital equipment	5 years

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

4. INTANGIBLE ASSETS

	Computer software <u>US\$</u>
At Cost	
At January 1, 2013	17,940
Additions	-
	17,940
Amortisation	
At January 1, 2013	1,494
Charge for the period	1,495
	2,989
Carrying amount	
End of period	14,951
End of prior year	16,446

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

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

5. ADVANCES TO SONGWRITERS

	Unaudited March 31, 2013 <u>US\$</u>	Unaudited March 31, 2012 <u>US\$</u>	Audited December 31, 2012 <u>US\$</u>
Advances			
Non- current	276,711	58,281	216,878
Current	<u>27,317</u>	<u>-</u>	<u>24,638</u>
	<u>304,028</u>	<u>58,281</u>	<u>241,516</u>

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.

6. TRADE AND OTHER RECEIVABLES

	Unaudited March 31, 2013 <u>US\$</u>	Unaudited March 31, 2012 <u>US\$</u>	Audited December 31, 2012 <u>US\$</u>
Trade receivables	4,796	-	3,415
Prepaid expenses	7,688	5,819	31,958
Other receivables	3,000	-	8,750
Withholding taxes	<u>1,411</u>	<u>4</u>	<u>1,411</u>
	<u>16,895</u>	<u>5,823</u>	<u>45,534</u>

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.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

7. CASH AND CASH EQUIVALENTS

	Unaudited March 31, 2013 US\$	Unaudited March 31, 2012 US\$	Audited December 31, 2012 US\$
Short-term investments	135,266	3,675	370,995
Cash and bank balances	20,185	-	12,976
	155,451	3,675	383,971

8. SHARE CAPITAL

	Unaudited March 31, 2013 US\$	Unaudited March 31, 2012 US\$	Audited December 31, 2012 US\$
Authorised capital: 1,000,000,000 Ordinary shares			
Issued and fully paid: (2013: 400,000,000; (2012: 300,000,000; 400,000,000) ordinary shares	1,286,619	5,814	1,286,619

9. TRADE AND OTHER PAYABLES

	Unaudited March 31, 2013 US\$	Unaudited March 31, 2012 US\$	Audited December 31, 2012 US\$
Trade payables	18,069	17,135	25,206
Other payables	-	67,369	-
	18,069	84,504	25,206

Trade payables principally comprise amounts outstanding for professional services.

10. SONGWRITING CAMPS & DEVELOPMENT EXPENSES

	Unaudited For the period ended March 31, 2013 US\$	Unaudited For the period ended March 31, 2012 US\$	Audited For the year ended December 31, 2012 US\$
Travel	20,119	33,281	117,234
Accommodation	41,331	-	141,375
Mixing & sound system	2,422	-	8,123
Camp Consultant	2,250	-	2,250
Photography and videography	1,124	-	3,834
Equipment rental	-	-	760
	67,246	33,281	273,576

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

11. ADMINISTRATIVE EXPENSES

	Unaudited For the period ended March 31, 2013 US\$	Unaudited For the period ended March 31, 2012 US\$	Audited For the year ended December 31, 2012 US\$
Accounting fees	8,039	-	24,116
Audit fees	3,284	-	12,815
Managerial travel and accommodation	14,473	-	38,412
Insurance expense	1,311	557	2,077
Company secretarial services	832	-	3,117
Contracted services	46,962	-	135,417
Website development & maintenance	1,834	-	14,286
Rent	1,049	-	1,748
Filing fees	772	-	-
Professional fees	23,464	873	15,963
Other expenses	-	-	531
Subscription	768	-	-
Office expense	910	-	5,946
Depreciation and amortisation	2,784	-	2,672
Exchange loss	5,817	-	47,346
Advertising and promotion	10,080	-	87,141
Wire transfer and service charges	4,615	1,325	12,532
Telephone	3,694	-	2,273
Computer expense	117	-	6,415
	130,805	2,755	412,807

12. FINANCE COSTS

	Unaudited For the period ended March 31, 2013 US\$	Unaudited For the period ended March 31, 2012 US\$	Audited For the year ended December 31, 2012 US\$
Loan interest	-	807	2,852

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

13. LOSS PER SHARE

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

	Unaudited For the period ended March 31, 2013 US\$	Unaudited For the period ended March 31, 2012 US\$	Audited For the year ended December 31, 2012 US\$
Loss	189,171	49,471	582,768
Weighted average number of ordinary shares	400,000,000	300,000,000	362,465,753
Basic loss per share (in U.S. cents)	0.05	0.02	0.16

14. 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 financial asset, each class of financial liability and equity instrument are disclosed in Note 3 to the financial statements.

Categories of financial instruments:

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

	Unaudited For the period ended March 31, 2013 US\$	Unaudited For the period ended March 31, 2012 US\$	Audited For the year ended December 31, 2012 US\$
Financial Assets			
Loans and receivables (at amortised cost) (including cash and cash equivalents)	<u>467,275</u>	<u>61,956</u>	<u>643,466</u>
Financial Liabilities			
Other financial liabilities (at amortised cost)	<u>18,069</u>	<u>84,504</u>	<u>25,206</u>

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
THREE (3) MONTHS ENDED MARCH 31, 2013

14. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL RISKS MANAGEMENT (cont'd)

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.

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