

C2W MUSIC LIMITED

FINANCIAL STATEMENTS

(UNAUDITED)

SIX (6) MONTHS ENDED JUNE 30, 2013

C2W MUSIC LIMITED
FINANCIAL STATEMENTS
(UNAUDITED)
SIX (6) MONTHS ENDED JUNE 30, 2013

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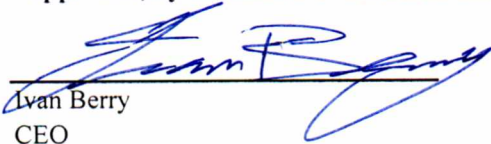
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C2W MUSIC LIMITED
STATEMENT OF FINANCIAL POSITION
(UNAUDITED)
AS AT JUNE 30, 2013

<u>Notes</u>	Un-audited Six (6) months ended June 30, 2013 <u>US\$</u>	Un-audited Six (6) months ended June 30, 2012 <u>US\$</u>	Audited Year ended December 31, 2012 <u>US\$</u>
ASSETS			
Non-Current assets			
Property and equipment	3 14,095	-	15,271
Intangible asset	4 13,456	-	16,446
Advances to songwriters	5 290,028	105,652 *	216,878
	<u>317,579</u>	<u>105,652</u>	<u>248,595</u>
Current assets			
Trade and other receivables	6 15,710	13,422	45,534
Due from related parties	7 5,814	-	5,814
Advances to songwriters	5 23,819	33,000	24,638
Cash and cash equivalents	8 14,335	1,047,358	383,971
Total current assets	<u>59,678</u>	<u>1,093,780</u>	<u>459,957</u>
Total assets	<u><u>377,257</u></u>	<u><u>1,199,432</u></u>	<u><u>708,552</u></u>
EQUITY & LIABILITIES			
Equity			
Share capital	9 1,286,619	1,286,619 *	1,286,619
Accumulated deficit	(949,128)	(151,788) *	(603,273)
Total equity	<u>337,491</u>	<u>1,134,831 *</u>	<u>683,346</u>
Current liabilities			
Due to related parties	-	40,186	-
Trade and other payables	10 39,766	24,415	25,206
Total current liabilities	<u>39,766</u>	<u>64,601</u>	<u>25,206</u>
Total equity and liabilities	<u><u>377,257</u></u>	<u><u>1,199,432</u></u>	<u><u>708,552</u></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)
SIX (6) MONTHS ENDED JUNE 30, 2013

	Un-audited	Un-audited	Un-audited	Un-audited	Audited
	Quarter ended	Quarter ended	Six (6) months	Six (6) months	Year ended
	June 30,	June 30,	ended	ended	December 31,
	2013	2012	June 30,	June 30,	2012
Notes	US\$	US\$	US\$	US\$	US\$
Revenues:					
Performance royalty	423	-	572	-	3,165
Publishing fees	-	-	1,231	-	125
Synchronization royalty	-	-	-	-	2,963
Total revenues	423	-	1,803	-	6,253
Less expenses:					
Song writing camps and development expenses	11 13,316	76,761 *	80,562	105,652 *	273,576
Administrative expenses	12 143,793	93,972 *	274,598	105,504 *	412,807
	157,109	170,733 *	355,160	211,156 *	686,383
Operating loss	(156,686)	(170,733)	(353,357)	(211,156) *	(680,130)
Finance costs	13 -	(2,044)	-	(2,852)	(2,852)
Loss for the period	(156,686)	(172,777)	(353,357)	(214,008)	(682,982)
Other income:					
Sponsorship income	-	81,898	7,500	81,898	94,571
Interest income	1	809	2	826	5,643
	1	82,707	7,502	82,724	100,214
Net loss, being total comprehensive expense for the period / year	(156,685)	(90,070) *	(345,855)	(131,284)	(582,768)
Loss per stock unit:	14 (0.04) cents	(0.03) cents	(0.09) cents	(0.04) cents	(0.16) cents

*Restated

C2W MUSIC LIMITED
STATEMENT OF CHANGES IN EQUITY
(UNAUDITED)
SIX (6) MONTHS ENDED JUNE 30, 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, being comprehensive expense for the period	-	(131,284) *	(131,284)
Issue of ordinary shares	1,471,704	-	1,471,704
Share issue costs	(190,899)	-	(190,899)
Balances as at June 30, 2012	<u>1,286,619</u> *	<u>(151,788)</u> *	<u>1,134,831</u>
Balances as at December 31, 2012	1,286,619	(603,273)	683,346
Net loss, being comprehensive expense for the period	-	(345,855)	(345,855)
Unaudited balances at June 30, 2013	<u>1,286,619</u>	<u>(949,128)</u>	<u>337,491</u>

*Restated

C2W MUSIC LIMITED
STATEMENT OF CASH FLOWS
(UNAUDITED)
SIX (6) MONTHS ENDED JUNE 30, 2013

	Unaudited Six (6) months ended June 30, 2013 <u>US\$</u>	Unaudited Six (6) months ended June 30, 2012 <u>US\$</u>	Audited Year ended December 31, 2012 <u>US\$</u>
Net loss for the period / year	(345,855)	(131,284) *	(582,768)
Adjustments for:			
Depreciation and amortization	5,603	-	2,672
Finance costs	-	2,852	2,852
Interest income	(2)	(826)	(5,643)
Operating cash flows before movements in working capital	(340,254)	(129,258) *	(582,888)
(Increase) / decrease in operating assets			
Trade and other receivables	29,823	(7,913)	(40,025)
(Decrease) / increase in operating liabilities			
Accounts payable	14,560	21,664	22,456
Related party balance (net)	-	(7,250)	(53,250)
Net cash used in operations	(295,871)	(122,757)	(653,707)
Interest paid	-	(2,852)	(2,852)
Net cash (used in) / provided by operating activities	(295,871)	(125,609)	(656,559)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of property and equipment	(1,436)	-	(16,449)
Acquisition of intangible assets	-	-	(17,940)
Interest received	2	826	5,643
Advance to songwriters	(72,331)	(113,652)	(216,516)
Net cash used in investing activities	(73,765)	(112,826)	(245,262)
CASH FLOWS FROM FINANCING ACTIVITIES			
Issue of shares	-	1,471,704	1,471,704
Payment for share issue costs	-	(190,899) *	(190,899)
Net cash provided by financing activities	-	1,280,805	1,280,805
NET CHANGE IN CASH AND CASH EQUIVALENTS	(369,636)	1,042,371	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	14,335	1,047,358	383,971

*Restated

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
SIX (6) MONTHS ENDED JUNE 30, 2013

1. IDENTIFICATION

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

- (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. The 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)
SIX (6) MONTHS ENDED JUNE 30, 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)
SIX (6) MONTHS ENDED JUNE 30, 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 amount at the end of the period. Interest income is recognised on the net carrying amount 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 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)
SIX (6) MONTHS ENDED JUNE 30, 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);
- (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)
SIX (6) MONTHS ENDED JUNE 30, 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)
SIX (6) MONTHS ENDED JUNE 30, 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)
SIX (6) MONTHS ENDED JUNE 30, 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	-	314	1,122	-	1,436
End of period	<u>1,237</u>	<u>14,782</u>	<u>1,122</u>	<u>744</u>	<u>17,884</u>
Accumulated depreciation					
At January 1, 2013	41	1,112	-	25	1,178
Charge for the period	50	2,428	97	37	2,613
End of period	<u>91</u>	<u>3,540</u>	<u>97</u>	<u>62</u>	<u>3,791</u>
Carrying amount					
End of period	<u>1,146</u>	<u>11,242</u>	<u>1,025</u>	<u>682</u>	<u>14,095</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)
SIX (6) MONTHS ENDED JUNE 30, 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	2,990
	4,484
Carrying amount	
End of period	13,456
End of prior year	16,446

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

5. ADVANCES TO SONGWRITERS

	Unaudited June 30, 2013 <u>US\$</u>	Unaudited June 30, 2012 <u>US\$</u>	Audited December 31, 2012 <u>US\$</u>
Advances			
Non- current	290,028	105,652 *	216,878
Current	23,819	33,000	24,638
	313,846	138,652 *	241,516

*Restated

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.

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
SIX (6) MONTHS ENDED JUNE 30, 2013

6. TRADE AND OTHER RECEIVABLES

	Unaudited	Unaudited	Audited
	June 30, 2013	June 30, 2012	December 31, 2012
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Trade receivables	9,562	8,077	3,415
Prepaid expenses	4,736	5,139	31,958
Other receivables	-	-	8,750
Withholding taxes	1,412	207	1,411
	<u>15,710</u>	<u>13,422</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.

7. DUE FROM RELATED PARTIES

	Unaudited	Unaudited	Audited
	June 30, 2013	June 30, 2012	December 31, 2012
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Contribution to capital	<u>5,814</u>	<u>-</u>	<u>5,814</u>

This represents amounts due from related parties for contribution to capital. These amounts are repayable at the end of December 31, 2013.

8. CASH AND CASH EQUIVALENTS

	Unaudited	Unaudited	Audited
	June 30, 2013	June 30, 2012	December 31, 2012
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Short-term investments	-	1,047,358	370,995
Cash and bank balances	14,335	-	12,976
	<u>14,335</u>	<u>1,047,358</u>	<u>383,971</u>

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
SIX (6) MONTHS ENDED JUNE 30, 2013

9. SHARE CAPITAL

	Unaudited June 30, 2013 US\$	Unaudited June 30, 2012 US\$	Audited December 31, 2012 US\$
Authorised capital: 1,000,000,000 Ordinary shares			
Issued and fully paid: (2013: 400,000,000; 2012: 400,000,000) ordinary shares	1,286,619	1,477,518	1,477,518
Less: Issued cost	-	(190,899)	(190,899)
	<u>1,286,619</u>	<u>1,286,619</u>	<u>1,286,619</u>

10. TRADE AND OTHER PAYABLES

	Unaudited June 30, 2013 US\$	Unaudited June 30, 2012 US\$	Audited December 31, US\$
Trade payables	39,766	24,415	25,206

Trade payables principally comprise amounts outstanding for professional services.

11. SONGWRITING CAMPS & DEVELOPMENT EXPENSES

	Unaudited Quarter ended June 30, 2013 US\$	Unaudited Quarter ended June 30, 2012	Unaudited Six (6) months ended June 30, 2013 US\$	Unaudited Six (6) months ended June 30, 2012 US\$	Audited For the year ended December 31, 2012 US\$
Travel	6,098	28,859	26,216	58,349	117,234
Accommodation	3,500	43,541	44,831	43,542	141,375
Mixing & sound system	801	4,361	3,222	3,761	8,123
Camp Consultant	2,250	-	4,500	-	2,250
Photography and videography	667	-	1,793	-	3,834
	<u>13,316</u>	<u>76,761</u> *	<u>80,562</u>	<u>105,652</u> *	<u>273,576</u>

*Restated

C2W MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
(UNAUDITED)
SIX (6) MONTHS ENDED JUNE 30, 2013

12. ADMINISTRATIVE EXPENSES

	Unaudited Quarter ended June 30, 2013 US\$	Unaudited Quarter ended June 30, 2012 US\$	Unaudited Six (6) months ended June 30, 2013 US\$	Unaudited Six (6) months ended June 30, 2012 US\$	Audited For the year ended December 31, 2012 US\$
Accounting fees	8,038	7,659	16,077	7,659	24,116
Audit fees	3,284	6,407	6,568	6,407	12,815
Managerial travel and accommodation	19,778	7,201	34,252	7,200	38,412
Insurance expense	1,602	557	2,913	1,113	2,077
Company secretarial services	366	-	1,198	995	3,117
Contracted services	46,875	52,083	93,837	52,083	135,417
Website development & maintenance	1,275	3,500	3,109	3,500	14,286
Rent	1,048	-	2,097	-	1,748
Filing fees	-	-	772	-	-
Professional fees	19,565	373	43,028	-	15,963
Meeting and other expenses	11,538	-	11,538	7,582	531
Subscription	-	-	768	-	-
Office expense	378	148	1,289	1,347	5,946
Depreciation and amortisation	2,819	-	5,603	-	2,672
Exchange loss	440	9,684 *	6,256	9,683 *	47,346
Advertising and promotion	20,321	4,500	30,400	4,750	87,141
Wire transfer and service charges	2,268	1,860	6,884	3,185	12,532
Telephone	4,198	-	7,892	-	2,273
Computer expense	-	-	117	-	6,415
	143,793	93,972	274,598	105,504	412,807

*Restated

13. FINANCE COSTS

	Unaudited Quarter ended June 30, 2013 US\$	Unaudited Quarter ended June 30, 2012 US\$	Unaudited Six (6) months ended June 30, 2013 US\$	Unaudited Six (6) months ended June 30, 2012 US\$	Audited For the year ended December 31, 2012 US\$
Loan interest	-	2,044 *	-	2,852 *	2,852

*Restated

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14. LOSS PER SHARE

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

	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	Quarter ended	Quarter ended	Six (6) months	Six (6) months	For the year
	June 30, 2013	June 30, 2012	ended	ended	ended
	US\$	US\$	June 30, 2013	June 30, 2012	December 31, 2012
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Loss	156,685	90,070	345,855	131,284	582,768
Weighted average number of ordinary shares	400,000,000	312,054,795	400,000,000	312,054,795	362,465,753

Basic loss per share (in U.S. cents)

15. 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	Unaudited	Audited
	June 30, 2013	June 30, 2012	December 31, 2012
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
Financial Assets			
Loans and receivables (at amortised cost) (including cash and cash equivalents)	<u>337,744</u>	<u>1,166,432</u>	<u>643,466</u>
Financial Liabilities			
Other financial liabilities (at amortised cost)	<u>39,243</u>	<u>64,601</u>	<u>25,206</u>

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15. 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