C2W Music Ltd.
Report To The Shareholders
Audited Statements Ending December 31st, 2015

During 2015 C2W Music Ltd. held firm to its core strategic plan to increase its share in the catalogue of songs Published, to increase its own song catalogue and to develop further the approach to its 360 “All Rights” Brand Management model and the development of signed Artists whereby given the opportunity to exploit our published songs, while taken a share of revenue from numerous other areas, other than just music publishing.

This new model will continue to be the main focus over the next few years as we seek to be a player in the production of masters owned by the company and the management of new and talented artists. One such new artist that we have invested time and money in is “Deanna”. She is a young and amazing singer who recently debuted her first single and video entitled “Ghost Love”. Deanna records with some of the World’s most successful songwriters and producers. Deanna recently spent a week in Jamaica where she recorded, did TV, print and radio interviews and performed live where she received amazing reviews. We’re well on our way with this amazing artist and this model will be duplicated with other artists and prove fruitful as we share in revenues from music publishing, exploitation of masters, management, live concerts, endorsements and many other areas.

www.alldeannamusic.com

Instagram, Facebook, Snapchat, Soundcloud
AllDeanna

YouTube
AllDeannaMusic

While we endeavor to develop new talent we are not loosing site of the transformation that we have orchestrated with regard to the changes with the Caribbean Performing Right Societies, which have paid some level of advances to the Company in 2015 and we look to see the other years which have accrued statements to be realized. This process has taken a considerable amount of time and due to the size of the Sub-Published catalogues has been a very big issue for the societies. However we took the decision to work with these bodies in such a way as to be their top client as in reality C2W is the largest publisher in the region and it would make no sense to have a contentious relationship.

In May of 2016 we will see BMI (Broadcast Music Inc.), which is one of the largest performing rights societies in the World, undertaking yet another songwriting camp and in this regard underwriting 100% of the full cost to the benefit of the Company. This will add another level of ownership to our growing, fully owned catalogue. BMI sees the benefit and are very cognizant of the talent that abounds in this region and continues to work with C2W in the development of our owned catalogue. This will see songwriters signed to BMI from UK, United States and Canada join with the C2W signed writers to create yet another batch of owned copyrights for C2W.
In closing, I want to thank the shareholders for their patience and understanding, our Board of Directors for their continuous work and CEO Ivan Berry for his unstoppable energy in moving this company towards increased revenue.

Yours Truly,

Derek Wilkie
Chairman
C2W Music Ltd.

C2W Music Limited

Financial Statements
31 December 2015
(*Expressed in United States dollars)*

C2W Music Limited

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31 December 2015

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INDEPENDENT AUDITORS' REPORT

To the Members of
C2W Music Limited

Report on the Financial Statements

We have audited the accompanying financial statements of C2W Music Limited set out on pages 1 to 38, which comprise the statement of financial position as at 31 December 2015, the statement of comprehensive income, statement of changes in equity and statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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, plan and perform the audit to obtain reasonable assurance 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 our 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, we consider internal controls relevant to the entity's preparation and fair presentation of the financial statements 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.

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
C2W Music Limited
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Basis for Qualified Opinion

We were unable to obtain sufficient appropriate audit evidence about the completeness of royalty income due to the inability of the external monitoring agencies to properly document the company's repertoire of works with their current technological systems. Additionally due to difficulties with the systems of performing rights societies in the region and the reporting by them to the company, we were unable to determine completeness of sub-publishing revenues. Accordingly we were unable to determine whether any adjustments to the amounts recorded were necessary.

Further, the company derives a portion of its income from sponsorship which cannot be controlled until they are recorded in the accounting records and are, therefore, not susceptible to independent audit verification. Accordingly, we were unable to satisfy ourselves as to the completeness of the contributions recorded.

Qualified Audit Opinion

In our opinion, except for, possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements give a true and fair view of the financial position of the company as at 31 December 2015 and of the results of operations, changes in equity and statement of cash flows for the year then ended, and have been prepared in accordance with International Financial Reporting Standard and comply with the provisions of the Jamaican Companies Act.

Emphasis of Matter

We draw attention to Note 19 in the financial statements which indicates that the company suffered a loss for the year ended December 31, 2015 of (US$18,510), and has accumulated losses of US$1.262 million as at 31 December 2015. Further as at December 31, 2015, the company's current liabilities exceeded its current assets by US$150,183. From inception the company has not achieved the level of revenues projected and required to sustain its operations.

The ability of the company to generate sustained profitable operations is sensitive to the successful implementation of the strategies and the key assumptions around revenue growth and continued cost reductions. Should these assumptions not materialise such that the company is unable to service its obligations when due, this will pose a going concern risk to the company.

BAKER TILLY
STRACHAN
LAFAYETTE

Emphasis of matter (Continued)

The financial statements have been prepared on the going concern basis as, based on current plans and strategies being pursued by the company, also it has been established that the Performing Rights Societies of the Caribbean does legally owe C2W Music publishing and sub-publishing royalties for the years 2012, 2013, 2014 and 2015, and are working to rectify systems issues so such royalties could be identified and paid; in addition the company moving into a 360 all Rights revenue model will increase revenues based on numerous other revenue streams other than music publishing revenue, which is currently the Company's primary source of revenue; the expectations are that the company will generate adequate cash flows and profitability to allow the company to continue in operational existence in the foreseeable future. On this basis, the Directors have maintained the going concern assumption in the preparation of these financial statements.

This basis of preparation presumes that the company will be able to realise its assets and discharge its liabilities in the ordinary course of business. These conditions, along with other matters as set forth in Note 19, indicate the existence of a material uncertainty that may cast significant doubt about the company's ability to continue as a going concern.

Our opinion is not qualified in respect of this matter.

Other Matter

The financial statements for the previous year was audited by another firm of Chartered Accountants, whom issued a qualified opinion dated March 30, 2015.

BAKER TILLY
STRACHAN
LAFAYETTE

INDEPENDENT AUDITORS' REPORT (CONTINUED)

To the Members of
C2W Music Limited
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Report on additional requirements of the Jamaican Companies Act

As required by the Jamaican Companies Act, except for the matters described under Basis for Qualified Opinion above, 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, except for the possible effects of the matters described under the Basis for Qualified Opinion above, proper accounting records have been kept, so far as appears from our examination of those records, and the accompanying financial statements are in agreement therewith and give the information required by the Jamaican Companies Act, in the manner so required.

Baker Tilly Strachan Lafayette
Chartered Accountants
Kingston, Jamaica
8 April 2016

C2W Music Limited

Statement of Financial Position
As at 31 December 2015
(expressed in United States dollars unless otherwise indicated)

	Note	2015 $	2014 $
ASSETS			
Non-current assets			
Plant and equipment	5	1,796	6,069
Intangible asset	6	1	4,487
Advances to songwriters	7	251,207	233,775
		253,004	244,331
Current assets			
Receivables	8	-	23,448
Taxation recoverable		1,412	1,412
Cash at bank	9	21,417	3,336
		22,829	28,196
TOTAL ASSETS		275,833	272,527
EQUITY AND LIABILITIES			
Equity and reserves			
Share capital	10	1,286,619	1,286,619
Accumulated deficit		(1,262,078)	(1,243,568)
		24,541	43,051
Non-current liability			
Director's loans	11	78,280	87,677
Current liabilities			
Payables	12	89,300	63,610
Loans payable	13	83,712	78,189
		173,012	141,799
TOTAL EQUITY AND LIABILITIES		275,833	272,527

Approved for issue by the Board on 8 April 2016 and signed on its behalf by:

Ivan Berry, Director

Derek Wilkie, Director

C2W Music Limited

Statement of Comprehensive Income
Year ended 31 December 2015
(expressed in United States dollars unless otherwise indicated)

	Note	2015 $	2014 $
Fees and royalties	14	7,048	8,154
Other income	15	14,476	160,998
Total income		21,524	169,152
Operating and administrative expense	16	(33,693)	(159,086)
Operating (loss)/profit	17	(12,169)	10,066
Finance costs, net	18	(6,341)	(9,320)
(Loss)/profit before taxation		(18,510)	746
Taxation	19	-	-
Net (loss)/profit for year		(18,510)	746
Total comprehensive (loss)/income		(18,510)	746
(Loss)/earnings per share	21	0.00¢	0.00¢

C2W Music Limited

Statement of Changes in Equity
Year ended 31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

	Share Capital	Accumulated Deficit	Total
	$	$	$
Balance at 1 January 2013	1,286,619	(1,244,314)	42,305
Total comprehensive income	-	746	746
Balance at 31 December 2014	1,286,619	(1,243,568)	43,051
Total comprehensive loss	-	(18,510)	(18,510)
Balance at 31 December 2015	1,286,619	(1,262,078)	24,541

C2W Music Limited

Statement of Cash Flows
Year ended 31 December 2015
(expressed in United States dollars unless otherwise indicated)

	2015 $	2014 $
CASH RESOURCES WERE PROVIDED BY:		
Operating Activities		
(Loss)/profit before taxation	(18,510)	746
Adjustments for:		
Amortisation and depreciation	8,759	11,329
Foreign exchange losses, net	46	29
Interest income	(3)	(1)
Interest expenses	5,523	5,600
	(4,185)	17,703
Changes in operating assets and liabilities:		
Decrease/(increase) in receivables	23,448	(2,476)
Increase in payables	25,690	13,320
Increase in loans payable	5,523	5,600
	50,476	34,147
Interest received	3	1
Interest paid	(5,523)	(5,600)
Cash provided by operating activities	44,956	28,548
Taxation paid	-	(1)
Net cash provided by operating activities	44,956	28,547
Investing Activity		
Increase in advances to songwriters	(17,432)	(32,475)
Net cash used in investing activity	(17,432)	(32,475)
Financing Activity		
(Decrease)/increase in director's loan	(9,397)	6,442
Net cash (used in)/provided by financing activity	(9,397)	6,442
Net increase in cash and cash equivalents	18,127	2,514
Effects of changes in exchange rates on cash and cash equivalents	(46)	(29)
Cash and cash equivalents at beginning of year	3,336	851
CASH AND CASH EQUIVALENTS AT END OF YEAR	21,417	3,336
Represented by:		
Cash at bank	21,417	3,336

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

1. Identification and Principal Activities

C2W Music Limited is a limited liability company incorporated and domiciled in Jamaica. The company was listed on the Junior Stock Exchange effective April 26, 2012. The registered office of the company is located at 1 Ardenne Road, Kingston 10, Jamaica. The company commenced operations in November 2011.

The company was established for the purpose of obtaining intellectual property rights, namely licensing and publications rights to songs developed by the Caribbean song writers. 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 are presented in United States dollars.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied for all the years presented.

(a) Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and their interpretations adopted by the International Accounting Standards Board and have been prepared under the historical cost convention. They are also prepared in accordance with the provisions of the Jamaican Companies Act.

The financial statements comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and the notes.

The preparation of financial statements in compliance with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, contingent assets and contingent liabilities at the end of the reporting period and the total comprehensive income during the reporting period. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and underlying assumptions are reviewed on an ongoing basis and any adjustments that may be necessary would be reflected in the year in which actual results are known. The areas involving a higher degree of judgement in complexity or areas where assumptions or estimates are significant to the financial statements are discussed in note 3.

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards effective in the current year that are relevant to the company's operations

Annual improvements to IFRS, 2010-2012 and 2011-2013 cycles contain amendments to certain standards and interpretations and are effective for accounting periods beginning on or after 1 July 2015. The main amendments applicable to the company are as follows:

IFRS 13, 'Fair Value Measurement', has been amended to clarify that issuing of the standard and consequential amendments to IAS 39 and IFRS 9 did not intend to prevent entities from measuring short-term receivables and payables that have no stated interest rate at their invoiced amounts without discounting, if the effect of not discounting is immaterial.

Amendments to IAS 19 'Employee Benefits', seek to simplify the accounting for contributions that are independent of the number of years of employee service. The amendments are effective from 1 January 2015. Employee and third party contributions provided for in the terms of the plan may be recognized as a reduction in the service cost in the same period in which they are payable if the contributions are linked to the employee's services rendered in that period but not to the employee's years of service.

IAS 24, 'Related Party Disclosures', has been amended to extend the definition of 'related party' to include a management entity that provides key management personnel services to the reporting entity, either directly or through a group entity. For related party transactions that arise when key management personnel services are provided to a reporting entity, the reporting entity is required to separately disclose the amounts that it has recognized as an expense for those services that are provided by a management entity; however, it is not required to 'look through' the management and disclose compensation paid by the management entity to the individuals providing the key management personnel services.

The amendments did not result in any material effect on the company's financial statements.

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the company

IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. IFRS 9 was issued in November 2009, October 2010 and November 2013 and becomes effective January 1, 2018. It replaces the parts of IAS 39 that relate to the classification and measurement of financial instruments. IFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition.

The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch. The company is yet to assess IFRS 9's full impact. The company will also consider the impact of the remaining phases of IFRS 9 when completed by the Board.

IFRS 15 'Revenue from Contracts with Customers', sets out requirements for recognizing revenue that apply to all contracts with customers, except by those governed Standards on leases, insurance contracts and financial instruments. IFRS 15 was issued May 2014 and becomes effective 1 January 2018. IFRS 15 sets to align revenue recognition for contracts with the requirements of the FASB. It seeks to replace IAS 22 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreement for the Construction for Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC-31 Revenue—Barter Transactions Involving Advertising Services.

IFRS 15 requires the entity to identify the contract(s) with the customer, identify performance obligation in the contract, determine and allocate the transaction price and recognize revenue when a performance obligation has been satisfied. The standard also sets out disclosure requirements.

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

2. Summary of significant accounting policies (continued)

(a) Basis of preparation (continued)

Standards and amendments to published standards that are not yet effective and have not been early adopted by the company (continued)

Amendments to IAS 16 'Property, Plant and Equipment' and IAS 38 'Intangible Asset'. Through the publication of 'Clarification of acceptable methods of depreciation and amortisation', IASB has clarified that calculating depreciation based on assumptions relating to revenue generation is an inappropriate method as the future economic benefits of an assets are not defined only by its revenue generating ability. IAS 38 allows for this assumption to be rebutted based on the circumstances where the intangible asset is expressed as a measure of revenue or it can be demonstrated that both revenue and consumption of economic benefits of an intangible asset are highly correlated. This standard becomes effective 1 January 2016.

(b) Segment reporting
An operating segment is a component of the company that engages in business activities from which it may earn revenues and incur expenses; whose operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance; and for which discrete financial information is available. Based on the information presented to and reviewed by the CODM, the operations of the company are considered as one operating segment.

(c) Foreign currency translation
Foreign currency transactions are accounted for at the exchange rate prevailing at the dates of the transactions. Assets and liabilities denominated in foreign currencies are transalated into Jamaican dollars at the exchange rate prevailing at the date of the statement of financial position, that is, in the case of each currency, the Bank of Jamaica weighted average buying and selling rates at that date. Gains and losses arising from fluctuations in exchange rates are reflected in the statement of comprehensive income.

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

2. Summary of significant accounting policies (continued)

(d) Plant and equipment
Plant and equipment are stated at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis at rates to write off the carrying value of the assets over their expected useful lives. The rates used to write off the cost of assets are as follows:

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

Gains and losses on disposal are determined by comparing proceeds with the carrying amount and are included in the statement of comprehensive income.

(e) 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 recognised on a straight-line basis 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.

An intangible asset is derecognised on disposal or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

(f) Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

The fair values of financial instruments are highlighted at Note 3.

(a) 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 financial assets classified as loans and receivables are recognised initially at fair value plus transaction costs that are attributable to the acquisition of the financial asset. 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.

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(a) Financial assets (continued)

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 its net carrying amount on initial recognition.

(i) 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 receivable comprise amounts due from related parties, receivables, advance to songwriters, and cash and bank deposits.

(ii) 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.

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(a) Financial assets (continued)

(ii) Impairment of financial assets (continued)

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.

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.

(iii) Derecognition of financial assets

The company derecognises a financial asset 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.

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(a) Financial assets (continued)

(iii) Derecognition of financial assets (continued)

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.

(b) 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.

Financial liabilities
Financial liabilities are classified as other financial liabilities.

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

2. Summary of significant accounting policies (continued)

(f) Financial instruments (continued)

(b) Financial liabilities and equity instruments issued by the company (continued)

Other financial liabilities

Other financial liabilities, including loans payable, trade and other payables and amounts due to 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 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.

(g) Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the cash flow statement, cash and cash equivalents comprise cash at bank and in hand and bank overdraft.

(h) Share capital

Ordinary shares are classified as equity. Mandatorily redeemable preference shares are classified as liabilities.

Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

2. Summary of significant accounting policies (continued)

(i) Income taxes
Where applicable, taxation expense in the statement of comprehensive income comprises current and deferred tax charges.

Current tax is the expected tax payable on the income for the year, using tax rates enacted at the statement of financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is the tax expected to be paid or recovered on differences between the carrying amounts of assets and liabilities and the corresponding tax bases. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the temporary differences can be utilised.

(j) Receivables
Receivables are stated at their nominal value as reduced (where applicable) by appropriate allowances. The company maintains an allowance for credit losses, which in management's opinion, is adequate to absorb all credit related losses in its portfolio.

(k) Payables
Payables, including provisions, are stated at their nominal value. A provision is recognised in the statement of financial position when the company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount can be made. If the effect is material, provisions are determined by discounting the expected future cash flows at a rate that reflects current market assessments of the time value of money, and where appropriate, the risks specific to the liability.

(l) Provisions
Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognised for future operating losses.

C2W Music Limited

Notes to the Financial Statements
31 December 2015
(*expressed in United States dollars unless otherwise indicated*)

2. Summary of significant accounting policies (continued)

(l) Provisions (continued)

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

(m) 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.

Sponsorship income

Sponsorship income is not recognized until there is reasonable assurance that the income will be received. Sponsorship income is recognized in profit or loss on a systematic basis over the period in which the company recognizes as expenses the related costs for which the sponsorships are intended to compensate.

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

C2W Music Limited

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2. Summary of significant accounting policies (continued)

(n) 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 or sale. 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.

(o) Comparative Information
Where necessary comparative figures have been reclassified to conform with changes in presentation.

(p) Interest Income
Interest income is recognised when it is probable that the economic benefits will flow to the company and the amount of the 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 assets net carrying amount on initial recognition.

(q) Leases
Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

The company leases certain property, plant and equipment. Leases of property, plant and equipment where the company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's commencement at the lower of the fair value of the leased property and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases is depreciated over the shorter of the useful life of the asset and the lease term.

C2W Music Limited

Notes to the Financial Statements
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2. Summary of significant accounting policies (continued)

(r) Related Party Transactions

A party is related to the company, if:

(i) directly, or indirectly through one or more intermediaries, the party, is controlled by, or is under common control with, the company (this includes parents, subsidiaries and fellow subsidiaries); has an interest in the company 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 the company 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 company that is a related party of the company.

A related party transaction is a transfer of resources, services or obligations between related parties, regardless of whether a price is charged. The company has a related party relationship with its directors and key management personnel, representing certain senior officers of the company.

C2W Music Limited

Notes to the Financial Statements
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2. Summary of significant accounting policies (continued)

(s) Impairment

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. When 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

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2. Summary of significant accounting policies (continued)

(t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The company has no non-financial assets measured or disclosed at fair value.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

C2W Music Limited

Notes to the Financial Statements
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3. 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 2 to the financial statements.

Categories of financial instruments

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

	2015	2014
	$	$
Financial Assets		
Loans and receivables (at amortised cost)		
Advances to songwriters	251,207	233,775
Receivables	-	23,448
Cash and bank deposits	21,417	3,336
	272,624	260,559
Financial Liabilities		
Other financial liabilities (at amortised cost)		
Director's loan	78,280	87,677
Loans payable	83,712	78,189
Trade payables	89,300	63,610
	251,292	229,476

Financial risk management policies and objectives

The financial risk management seeks to minimise potential adverse effects of financial performance of the company and covers specific areas, such as market risk (including currency risk and interest rate 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.

C2W Music Limited

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3. Financial instruments, financial risks and capital risks management

Financial risk management policies and objectives (continued)

(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 (3(a)(i)) below and interest rates, as disclosed in Note (3(a)(ii)) below, the company has no significant 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/(assets)**	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
	$	**$**	**$**	**$**	**$**	**$**
Jamaican dollars	7,564	8,946	230	62	7,334	8,884

<u>Foreign currency sensitivity</u>
The following tables detail the sensitivities to increases and decreases 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 the percentage change in foreign currency rates described below.

If the United States dollar strengthens by 8% or weakens by 1% (2014: strengthens by 10% or weakens by 1%) against the relevant foreign currency, profit or loss will decrease or increase by:

C2W Music Limited

Notes to the Financial Statements
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3. Financial instruments, financial risks and capital risks management

Financial risk management policies and objectives (continued)

(a) Market risk (continued)

(i) Foreign exchange risk management (continued)

	Revaluation		Devaluation	
	Change in Currency Rates %	Effect on Profit or Loss $	Change in Currency Rates %	Effect on Profit or Loss $
2015				
Currency				
Jamaican Dollar	+8	-	-1	-
2014				
Currency				
Jamaican Dollar	+10	888	-1	(89)

This is mainly attributable to the exposure outstanding on payables denominated in Jamaican dollars, cash and bank deposits denominated in Jamaican dollars and receivables denominated in Barbados 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 rate on financial assets and financial liabilities are detailed in the liquidity risk management section at Note 3(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. There are no variable rate financial liabilities at December 31, 2015 and December 31, 2014.

C2W Music Limited

Notes to the Financial Statements
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3. Financial instruments, financial risks and capital risks management

Financial risk management policies and objectives (continued)

(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 receivables. The maximum exposure to credit risk is the amount of approximately US$272,624 (2014: US$260,559) 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.

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. Management believes these amounts are recoverable based on the terms of the contracts in place with the 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.

C2W Music Limited

Notes to the Financial Statements
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3. Financial instruments, financial risks and capital risks management

Financial risk management policies and objectives (continued)

(c) Liquidity risk management (continued)

	Weighted Average Effective Interest Rate	On Demand or Within 1 Year
	%	$
2015		
Non-interest bearing	Nil	167,580
Interest bearing	8	83,712
		251,292
2014		
Non-interest bearing	Nil	151,287
Interest bearing	8	88,796
		240,083

Non-derivative financial assets

The following table details the company's expected maturity for its not -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
	%	$
2015		
Non-interest bearing	Nil	251,437
Interest bearing	0.05	-
		251,437
2014		
Non-interest bearing	Nil	257,285
Interest bearing	0.05	3,276
		260,561

C2W Music Limited

Notes to the Financial Statements
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3. Financial instruments, financial risks and capital risks management

Financial risk management policies and objectives (continued)

(d) Fair value of financial assets and financial liabilities

The following methods and assumptions have been used:

i) 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 and amounts due (to) from related parties.

ii) The carrying amount of advances to song writers is assumed to approximate fair value as the effective interest rate applied is market determined.

iii) The fair value of fixed rate loans have been estimated by applying interest rates of similar loans at year end to the expected future cash flows.

	2015		**2014**	
	Carrying values $	**Fair values $**	**Carrying values $**	**Fair Values $**
Fixed rate loans	83,712	83,712	78,189	80,395

<u>Fair value measurement recognised in the Statement of financial position</u>
There were no financial instruments included in the Statement of Financial Position that were measured subsequent to initial recognition at fair value.

C2W Music Limited

Notes to the Financial Statements
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3. Financial instruments, financial risks and capital risks management

Financial risk management policies and objectives (continued)

(d) Fair value of financial assets and financial liabilities

The following
Quantitative disclosures fair value hierarchy

	Quoted prices in active market Level 1	Significant observable inputs Level 2	Significant unobservable inputs Level 3
	$	**$**	**$**
At December 31, 2015			
Liabilities for which fair values are disclosed:			
Fixed rate loans payable	-	83,712	-
At December 31, 2014			
Liabilities for which fair values are disclosed:			
Fixed rate loans payable	-	83,712	-

There were no assets for which fair values are disclosed.

(e) 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.

The company's strategy remains unchanged from 2014.

4. Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in Note 2, management is required to make judgments, 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 judgement in applying the company's accounting policies

The following are the critical judgements that management have made in the process of applying the company's accounting policies that have a significant effect on the amounts recognised in the financial statements.

Advances to song writers - $251,207 (2014: $233,775)

This represents advances to song writers to be recouped from earnings from songs in future periods. Based on the nature of the industry in which the company operates, the recovery of these advances is usually protracted but is estimated to be recoverable after five to seven years. The advances have therefore been discounted using commercial borrowing rates. Management believes these amounts are fully recoverable after seven years.

Going concern

As indicated in Note 20, the directors have a reasonable expectation that based on the strategies being pursued and implemented; the company will generate adequate cash flows to continue in operational existence.

Key sources of estimation uncertainty

The following is the key assumption concerning the future and is the key source of estimation uncertainty at the end of the reporting period, that the directors and management believe has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Publishing fees

Due to the difficulties in the systems of performing rights societies in the region and the reporting by them to the company, sub-publishing revenues have been recorded by the company based on best estimates received from these performing rights societies. Where the final outcome is different from the amounts initially recorded, such differences will impact the fees and royalties and related trade payables amounts recorded. In the previous year, an increase 10% to 50% in the final outcome of these estimates would have the effect of an approximate $352 to $1,759 increase in the fees and royalties and related trade payables; for the current year there is no effect. The performing societies have indicated it is unlikely that the final outcome will be less than the estimates already provided.

C2W Music Limited

Notes to the Financial Statements
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4. Critical accounting judgements and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty (continued)

Further, the sub-publishers are unable to provide details as to the allocation of sub-publishing revenues by publishers. Based on the sub-publishing contracts in place, management has estimated a 15% claim in respect of the estimates provided by these performing rights societies. A decrease of 5% or an increase of 5% in the company's claim to these revenue would result in a decrease/increase respectively of $1,004 in fees and royalties respectively and an increase/decrease respectively of $1,004 in the related trade payables.

C2W Music Limited

Notes to the Financial Statements
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5. Plant and equipment

	Signage	Computer equipment	Office equipment	Camera equipment	Total
	$	$	$	$	$
At Cost -					
1 January 2014	1,237	14,468	744	-	16,449
Addition	-	314	-	1,122	1,436
31 December 2014	1,237	14,782	744	1,122	17,885
31 December 2015	1,237	14,782	744	1,122	17,885
Accumulated Depreciation -					
1 January 2014	165	6,004	99	198	6,466
Charge for year	124	4,927	75	224	5,350
31 December 2014	289	10,931	174	422	11,816
Charge for year	124	3,850	75	224	4,273
31 December 2015	413	14,781	249	646	16,089
Net Book Value -					
31 December 2015	824	1	495	476	1,796
31 December 2014	948	3,851	570	700	6,069

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6. Intangible asset

	Camera software	Total
	$	$
At Cost-		
31 December 2013	17,940	17,940
31 December 2014	17,940	17,940
31 December 2015	17,940	17,940
Amortisation -		
1 January 2014	7,474	7,474
Charge for year	5,979	5,979
31 December 2014	13,453	13,453
Charge for year	4,486	4,486
31 December 2015	17,939	17,939
Net Book Value -		
31 December 2015	1	1
31 December 2014	4,487	4,487

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

7. Advances to songwriters

	2015	2014
	$	$
Advances to songwriters	343,811	343,811
Less: Amortised cost adjustment; (Note 7a)	(92,604)	(110,036)
	251,207	233,775

This represents advances to songwriters to be recouped from earnings from songs in future periods. No interest is charged to songwriters, however, a consequent adjustment of US$92,604 (2014: US$110,036) is to record the outstanding interest free balance at amortised cost based on management's expectation of period of recovery (after seven years) was effected during the year.

C2W Music Limited

Notes to the Financial Statements
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7. Advances to songwriters (continued)

(a) The movement in the amortised cost adjustment is as follows:

	2015	2014
	$	$
Opening balance	110,036	114,828
Effect of unwinding for the year	(17,432)	(15,098)
Amortised cost adjustment for year	-	10,306
	92,604	110,036

8. Receivables

	2015	2014
	$	$
Royalties	3,517	23,448
Less: Provision for bad debts	(3,517)	-
	-	23,448

The company provides 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. In determining the recoverability of a receivable, the company considers any change in the credit quality of the receivables from the date credit was initially granted up to the reporting date.

9. Cash at bank

	2015	2014
	$	$
Cash at bank	21,417	3,336

Bank balance includes $21,187 (2014: $3,274) held in a savings account which attracts interest at a rate of 0.05% (2014: 0.05%) per annum. Also, included in this amount is $230 (J$27,517) (2014: $62 (J$7,056)), being held in a current account.

C2W Music Limited

Notes to the Financial Statements
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10. Share capital

	2015 No. of Shares '000	2014 No. of Shares '000
Authorized capital:		
1,000,000,000 ordinary stock at beginning and end of year		
Issued and fully paid no par value ordinary stock at the beginning and end of the year	400,000	400,000

	2015 $	2014 $
Stated capital:		
Issued and fully paid, no par value ordinary stock at the beginning and end of the year	1,286,619	1,286,619

11. Director's loans

The amount represents advances made to the company by the directors. The amount is interest free and there are no fixed repayment terms.

12. Payables

	2015 $	2014 $
Trade payables	89,300	63,610

Payables principally comprise amounts outstanding for professional services and sub-publishing fees.

C2W Music Limited

Notes to the Financial Statements
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13. Loans payable

	2015	2014
	$	$
Alydar Investment Limited	47,952	44,796
Gerald Hadeed	35,760	33,393
	83,712	78,189

These amounts were disbursed on July 1, 2013 and evidenced by Promissory Notes. The loans were for a period of 1 year (repayable June 30, 2014 – the "repayment date") at a rate of 8% per annum on the outstanding balances compounded quarterly. The lenders were not entitled to require repayment of the principal or interest before the repayment date, however the company at its option could have repaid the principal with interest accrued prorated up to the date of payment without penalty.

Provided the loans were still outstanding on the repayment date, the lenders had the option to convert the loans and the interest thereon into shares in the company at a price agreed between the parties not exceeding the price at which the company's shares were being publicly traded on the Jamaica Stock Exchange as at the repayment date. The lenders were required to notify the company of their intention to exercise the option at least 14 days before the repayment date.

In respect of the loan with Alydar Investment Limited, the company was not notified by the lender of its intention to take up the equity option. The loan was not repaid and to date no notice of demand for repayment by the lender has been served on the company. The company is currently pursuing negotiations with the lender for the extension of the loan under the same terms and condition until June 2016. However at December 31, 2015, the negotiations were not yet finalised.

In respect of the loan with Gerald Hadeed, on the repayment date, the loan was not repaid and subsequent to year end the lender decided not to take up the equity option and agreed to extend the loans under the same terms and conditions until June 30, 2016.

At December 31, 2015, interest payable included in the above balance amount to $13,712 (2014: $8,189).

C2W Music Limited

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14. Revenue

Royalty revenue is recognized 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 recognized on a straight-line basis over the period of the agreement. Royalty arrangements that are based on production, sales and other measures are recognized by reference to the underlying arrangement.

Fees and royalties

	2015	**2014**
a) These comprise:	**$**	**$**
Performance royalties	6,135	3,447
Synchronization royalties	913	1,190
Publishing fees	-	3,517
	7,048	8,154

b) The following are entity-wide disclosures:

(i) Revenue sources
This is detailed at Note 14(a) above

(ii) Geographical areas
Based on the nature of the company's operations and how its revenue is earned, there are no geographical segments.

(iii) Major revenue sources
Of the revenue earned for the period, 88% (2014: 42%) was attributable to the performance royalties earned, Nil (2014: 43%) attributable to publishing fees and 12% (2014: 15%) attributable to synchronization royalties.

15. Other income

		2015	**2014**
		$	**$**
Sponsorship income	(a)	14,476	64,024
Copyright sale	(b)	-	96,974
		14,476	160,998

(a) This represents amounts funded for songwriters camps held during the year and to be held May 2016.

(b) This represented the sale of 50% of the company's rights/interest in certain musical works by the two song writers.

C2W Music Limited

Notes to the Financial Statements
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16. Expenses by nature

	2015	2014
	$	$
Accounting fee	4,819	10,615
Advance cost adjustment on advances	(17,432)	(4,792)
Annual general meeting and reports	1,702	2,299
Asset tax	1,308	1,308
Audit fee	7,573	10,650
Bad debt	3,517	5,814
Company secretary	-	7,058
Depreciation and amortisation	8,759	11,329
Development and song writing expenses	(4,440)	64,023
Legal fees	-	102
Maintenance fee	-	3,608
Office expenses	312	16
Professional fees	14,610	32,174
Registration fees	5,879	7,225
Royalty fees	-	3,145
Rent expenses	-	1,048
Telephone expenses	509	215
Travel expenses	6,577	3,249
	33,693	159,086
Finance costs, net	6,341	9,320
	40,034	168,406

	2015	2014
	$	$
(a) Song writing camps and development expenses		
Accommodation	-	36,385
Travel	2,076	18,122
Mixing and sound system	(6,516)	6,516
Equipment rental	-	3,000
	(4,440)	64,023

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(*expressed in United States dollars unless otherwise indicated*)

17. Operating (loss)/profit

In arriving at the operating (loss)/profit, the following have been charged: -

	2015	2014
	$	$
Auditors' remuneration	7,573	10,650
Depreciation and amortisation	8,759	11,329
Contract for services	14,610	39,334

18. Finance costs, net

	2015	2014
	$	$
Interest income	(3)	(1)
Interest expenses	5,523	5,600
Foreign exchange losses	143	3,299
Bank charges	678	422
	6,341	9,320

19. 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.

C2W Music Limited

Notes to the Financial Statements
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20. Operations

While the Company, which is still in a developmental phase, achieved a (loss)/profit for the years ended December 31, 2015/14 (US$18,510)/US$746, it has incurred significant losses up to December 31, 2015/14 and had accumulated losses of US$1.262/US$1.243 million. Further as at December 31, 2015, the company had net current liabilities of US$150,183 (2014: US$113,603). The company has not to date been able to realise the projected revenues as it has sought to develop its catalogue of songs. The above factors indicate a material uncertainty that may cast doubt on the company's ability to continue as a going concern and that the company may be unable to realise its assets and discharge its liabilities in the normal course of business.

The Company has embarked on the following strategies to achieve sustainability: exploitation of the Company's catalogue that has been developed in the past three years to improve royalty income; pursuance of negotiations with global multi-national song publishing companies to carve out a part of the market share with respect to sub-publishing fees; continued reduction of expenses and the targeting of strategic investors. The ability of the company to generate sustained profitable operations is dependent on the successful implementation of the strategies being pursued by management. Based on the current plans and strategies being pursued and implemented, the directors and management believe that the company will generate adequate cash flows and profitability which would allow it to continue in operational existence for the foreseeable future. On this basis, the directors have maintained the going concern assumption in the preparation of these financial statements. This basis of preparation presumes that the Company will be able to realise its assets and discharge its liabilities in the ordinary course of business.

21. (Loss)/earnings per share

	2015	2014
	$	$
(Loss)/earnings	(18,510)	746
Number of ordinary shares	400,000,000	400,000,000
Basic (loss)/earnings per share (in U.S. cents)	0.00	0.00

22. Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

Related party transactions and balances are recognised and disclosed below for the following:

(a) Enterprises over which a substantial interest in the voting power is owned by a key management personnel, including directors and officers and close members of families; or

(b) Enterprises over which such a person, in (a) above, is able to exercise significant influence. This includes enterprises owned by directors or major shareholders of the reporting enterprise and enterprises that have a member of key management in common with the company.

As at the statement of financial position date the following balances was outstanding:-

- Due to Ivan Berry $78,280; (2014) - $87,677.