

**C2W MUSIC LIMITED**

**FINANCIAL STATEMENTS**

**(UNAUDITED)**

**THREE (3) MONTHS ENDED MARCH 31, 2016**

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*Prepared by*



**C2W MUSIC LIMITED**  
**FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

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**C2W MUSIC LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**(UNAUDITED)**  
**AS AT MARCH 31, 2016**

	<u>Notes</u>	Un-audited Three (3) months ended March 31, 2016 <u>US\$</u>	Un-audited Three (3) months ended March 31, 2015 <u>US\$</u>	Audited Year ended December 31, 2015 <u>US\$</u>
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property and equipment	5	1,690	4,733	1,796
Intangible asset	6	1	2,991	1
Advances to songwriters	7	251,207	210,012	251,207
		<u>252,898</u>	<u>217,736</u>	<u>253,004</u>
<b>Current assets</b>				
Tax recoverable		1,413	1,411	1,412
Receivables	8	-	24,361	-
Advances to songwriters	7	-	23,763	-
Cash and bank balances	9	1,082	135	21,417
<b>Total current assets</b>		<u>2,495</u>	<u>49,670</u>	<u>22,829</u>
<b>Total assets</b>		<u><u>255,393</u></u>	<u><u>267,406</u></u>	<u><u>275,833</u></u>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
Share capital	10	1,286,619	1,286,619	1,286,619
Accumulated deficit		<u>(1,275,604)</u>	<u>(1,256,920)</u>	<u>(1,262,078)</u>
<b>Total equity</b>		<u>11,015</u>	<u>29,699</u>	<u>24,541</u>
<b>Non-current liability</b>				
Director's loans	11	<u>69,780</u>	<u>86,616</u>	<u>78,280</u>
<b>Current liabilities</b>				
Loans payable	12	85,093	79,569	83,712
Due to related parties		-	4,097	-
Payables	13	89,505	67,425	89,300
<b>Total current liabilities</b>		<u>174,598</u>	<u>151,091</u>	<u>173,012</u>
<b>Total equity and liabilities</b>		<u><u>255,393</u></u>	<u><u>267,406</u></u>	<u><u>275,833</u></u>

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

Ivan Berry  
CEO

Derek Wilkie  
Director

**C2W MUSIC LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

	<u>Notes</u>	<b>Un-audited Three (3) months ended March 31, 2016 US\$</b>	<b>Un-audited Three (3) months ended March 31, 2015 US\$</b>	<b>Audited Year ended December 31, 2015 US\$</b>
<b>Revenues:</b>				
Performance royalty		239	913	6,135
Synchronization royalty		-	-	913
<b>Total revenues</b>	<b>4</b>	<b>239</b>	<b>913</b>	<b>7,048</b>
<b>Less expenses:</b>				
Song writing camps and development expenses	<b>14</b>	<b>7,761</b>	<b>-</b>	<b>(4,440)</b>
Administrative expenses	<b>15</b>	<b>7,415</b>	<b>12,662</b>	<b>38,133</b>
		<b>(15,176)</b>	<b>(12,662)</b>	<b>(33,693)</b>
<b>Operating loss</b>		<b>(14,937)</b>	<b>(11,749)</b>	<b>(26,645)</b>
Finance costs	<b>16</b>	<b>1,589</b>	<b>1,603</b>	<b>6,341</b>
<b>Loss for the period / year</b>		<b>(16,526)</b>	<b>(13,352)</b>	<b>(32,986)</b>
<b>Other income:</b>				
Sponsorship income		<b>3,000</b>	<b>-</b>	<b>14,476</b>
<b>Net loss being total comprehensive expense for the period / year</b>		<b>(13,526)</b>	<b>(13,352)</b>	<b>(18,510)</b>
(Loss) / profit per stock unit:	<b>17</b>	<b>(0.00) cents</b>	<b>(0.00) cents</b>	<b>0.00 cents</b>

**C2W MUSIC LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

	<b>Share capital <u>US\$</u></b>	<b>Accumulated deficit <u>US\$</u></b>	<b>Total <u>US\$</u></b>
Audited balances at December 31, 2014	1,286,619	(1,243,568)	43,051
Net loss, being total comprehensive expense for the period	<u>-</u>	<u>(13,352)</u>	<u>(13,352)</u>
<b>Unaudited balances at March 31, 2015</b>	<b><u>1,286,619</u></b>	<b><u>(1,256,920)</u></b>	<b><u>29,699</u></b>
<b>Audited balances at December 31, 2015</b>	<b>1,286,619</b>	<b>(1,262,078)</b>	<b>24,541</b>
Net loss, being total comprehensive expense for the period	<u>-</u>	<u>(13,526)</u>	<u>(13,526)</u>
<b>Unaudited balances at March 31, 2016</b>	<b><u>1,286,619</u></b>	<b><u>(1,275,604)</u></b>	<b><u>11,015</u></b>

**C2W MUSIC LIMITED**  
**STATEMENT OF CASH FLOWS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

	<b>Unaudited Three (3) months ended March 31, 2016 US\$</b>	<b>Unaudited Three (3) months ended March 31, 2015 US\$</b>	<b>Audited Year ended December 31, 2015 US\$</b>
Loss for the period / year	(13,526)	(13,352)	(18,510)
Adjustments for:			
Depreciation and amortization	106	2,832	8,759
Finance costs	1,381	1,381	5,523
Interest income	(1)	-	(3)
<b>Operating cash flows before movements in working capital</b>	<b>(12,040)</b>	<b>(9,139)</b>	<b>(4,231)</b>
<b>Decrease in operating assets</b>			
Receivables	-	(913)	23,448
<b>Increase/ (decrease) / in operating liabilities</b>			
Payable	204	8,151	25,690
Director's loan	(8,500)	-	-
Related party balance (net)	-	(1,300)	(9,397)
Cash (used in) / generated from operations	<b>(20,336)</b>	<b>(3,201)</b>	<b>35,510</b>
Net cash (used in) / provided by operating activities	<b>(20,336)</b>	<b>(3,201)</b>	<b>35,510</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest received	1	-	3
Advance to songwriters	-	-	(17,432)
Net cash provided by / (used in) investing activities	<b>1</b>	<b>-</b>	<b>(17,429)</b>
<b>NET (DECREASE)/ INCREASE IN CASH AND BANK BALANCES</b>	<b>(20,335)</b>	<b>(3,201)</b>	<b>18,081</b>
<b>CASH AND BANK BALANCES AT BEGINNING OF YEAR</b>	<b>21,417</b>	<b>3,336</b>	<b>3,336</b>
<b>CASH AND BANK BALANCES AT THE END OF PERIOD / YEAR</b>	<b>1,082</b>	<b>135</b>	<b>21,417</b>

**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

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**1. IDENTIFICATION**

- (a) C2W Music Limited (the "Company") is a limited liability company incorporated and domiciled in Jamaica. The Company is listed on the Junior Stock Exchange. The registered office is situated at 1 Ardenne Road, Kingston 10, Jamaica. The company commenced operations in November 2011.
  
- (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, 2015. 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, 2015.

The principal accounting policies are set out below:

**(a) Property and equipment**

Property and equipment for use in the Company 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 or 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 the statement of comprehensive income.

**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D):**

**(b) 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.

**(c) 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 the statement of comprehensive income.

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 the statement of comprehensive income.



**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(d) Cash and bank balances**

Cash and bank balances comprise cash in bank.

**(e) Receivables**

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.

**(f) Payables**

Payables are stated at amortized cost.

**(g) Revenue recognition**

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

**Royalties**

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

**Interest income**

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

**Sponsorship income**

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

Sponsorship income is recognised in the statement of comprehensive income on a systematic basis over the period in which the Company recognises as expenses the related costs for which the sponsorships are for the purpose intended to compensate. Sponsorship income that is receivable as compensation for expenses or losses incurred or for the purpose of giving immediate financial support to the Company with no future related costs is recognised in profit or loss in the period in which they become receivable.

**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(h) Related parties**

A party is related to the Company if:

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

Related party transactions and balances are recognised and disclosed in the financial statements.

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

**(i) 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 the statement of comprehensive income for the period in which they arise.

**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

**(j) 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 the statement of comprehensive income

**(k) Taxation**

Taxation is based on profit for the period adjusted for taxation purposes and comprises income tax at 25%.

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 %

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

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

Key sources of estimation uncertainty

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

**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

**4. REVENUES**

Revenues represent the exploitation of intellectual properties.

**5. PROPERTY AND EQUIPMENT**

	Signage US\$	Computer equipment US\$	Digital equipment US\$	Office equipment US\$	Total US\$
<b>At Cost</b>					
At January 1, 2016	1,237	14,782	1,122	744	17,885
Additions	-	-	-	-	-
End of period	<u>1,237</u>	<u>14,782</u>	<u>1,122</u>	<u>744</u>	<u>17,885</u>
<b>Accumulated depreciation</b>					
At January 1, 2016	413	14,781	646	249	16,089
Charge for the period	31	-	56	19	106
End of period	<u>444</u>	<u>14,781</u>	<u>702</u>	<u>268</u>	<u>16,195</u>
<b>Carrying amount</b>					
End of period	<u>793</u>	<u>1</u>	<u>420</u>	<u>476</u>	<u>1,690</u>
End of prior year	<u>824</u>	<u>1</u>	<u>476</u>	<u>495</u>	<u>1,796</u>

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

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

**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

**6. INTANGIBLE ASSETS**

	Computer software <u>US\$</u>
<b>At Cost</b>	
At January 1, 2016	17,940
Additions	-
	-
End of period	<b>17,940</b>
<b>Amortisation</b>	
At January 1, 2016	17,939
Charge for the period	-
	-
	<b>17,939</b>
<b>Carrying amount</b>	
End of period	<b>1</b>
End of prior year	1

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

**7. ADVANCES TO SONGWRITERS**

	<b>Unaudited</b> <b>March 31, 2016</b> <u>US\$</u>	Unaudited March 31, 2015 <u>US\$</u>	Audited December 31, 2015 <u>US\$</u>
Advances			
Non- current	251,207	210,012	251,207
Current	-	23,763	-
	<b>251,207</b>	<b>233,775</b>	<b>251,207</b>

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)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

**8. RECEIVABLES**

	<b>Unaudited</b> <b>March 31, 2016</b> <b><u>US\$</u></b>	Unaudited March 31, 2015 <u>US\$</u>	Audited December 31, 2015 <u>US\$</u>
Royalties receivable	-	24,361	-
	<u>-</u>	<u>24,361</u>	<u>-</u>

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.

**9. CASH AND BANK BALANCES**

	<b>Unaudited</b> <b>March 31, 2016</b> <b><u>US\$</u></b>	Unaudited March 31, 2015 <u>US\$</u>	Audited December 31, 2015 <u>US\$</u>
Cash and bank balances	<b>1,082</b>	135	21,417

**10. SHARE CAPITAL**

	<b>Unaudited</b> <b>March 31, 2016</b> <b><u>US\$</u></b>	Unaudited March 31, 2015 <u>US\$</u>	Audited December 31, 2015 <u>US\$</u>
Authorised capital:			
1,000,000,000 Ordinary shares at no par value			
Issued and fully paid:			
400,000,000 Ordinary shares	<b>1,286,619</b>	1,286,619	1,286,619

**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

**11. DIRECTOR'S LOAN**

<b>Unaudited</b>	Unaudited	Audited
<b>March 31, 2016</b>	March 31, 2015	December 31, 2015
<b><u>US\$</u></b>	<u>US\$</u>	<u>US\$</u>
<b><u>69,780</u></b>	<u>86,616</u>	<u>78,280</u>

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

**12. LOANS PAYABLE**

	<b>Unaudited</b>	Unaudited	Audited
	<b>March 31, 2016</b>	March 31, 2015	December 31, 2015
	<b><u>US\$</u></b>	<u>US\$</u>	<u>US\$</u>
Third party loans	<b><u>85,093</u></b>	<u>79,569</u>	<u>83,712</u>

This represents a short term loan from two (2) third parties for working capital purposes. These loans are evidenced by promissory notes and attract interest at 8% per annum. These loans are repayable in June 2016. (See Note 15)

The third party loan balances include outstanding principal and interest as at the period / year end.

**13. PAYABLES**

	<b>Unaudited</b>	Unaudited	Audited
	<b>March 31, 2016</b>	March 31, 2015	December 31, 2015
	<b><u>US\$</u></b>	<u>US\$</u>	<u>US\$</u>
Payables	<b><u>89,505</u></b>	<u>67,425</u>	<u>89,300</u>

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

**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

**14. SONGWRITING CAMPS AND DEVELOPMENT EXPENSES**

	<b>Unaudited</b> <b>For the period</b> <b>ended</b> <b>March 31, 2016</b> <b>US\$</b>	Unaudited For the period ended March 31, 2015 US\$	Audited For the year ended December 31, 2015 US\$
Travel	4,979	-	2,076
Accommodation	2,782	-	-
Mixing & sound system	-	-	(6,516)
	<b>7,761</b>	<b>-</b>	<b>(4,440)</b>

**15. ADMINISTRATIVE EXPENSES**

	<b>Unaudited</b> <b>For the period</b> <b>ended</b> <b>March 31, 2016</b> <b>US\$</b>	Unaudited For the period ended March 31, 2015 US\$	Audited For the year ended December 31, 2015 US\$
Accounting fees	1,041	1,041	4,819
Advertising and promotion	747	-	-
Amortised cost adjustment on advances to songwriters	-	-	(17,432)
Annual general meeting and annual reports	-	-	1,702
Asset tax	327	327	1,308
Audit fees	1,893	2,663	7,573
Bad debt	-	-	3,517
Depreciation and amortisation	106	2,832	8,759
Legal and professional fees	1,050	4,061	14,610
Managerial travel and accommodation	814	-	6,577
Other expenses	-	232	312
Registrar and Jamaica stock exchange fees	1,437	1,489	5,879
Telephone	-	17	509
	<b>7,415</b>	<b>12,662</b>	<b>38,133</b>



**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

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**16. FINANCE COSTS**

	<b>Unaudited ended March 31, 2016 <u>US\$</u></b>	<b>Unaudited ended March 31, 2015 <u>US\$</u></b>	<b>Audited ended December 31, 2015 <u>US\$</u></b>
Interest income	(1)	-	(3)
Loan interest	1,381	1,381	5,523
Foreign exchange lossess	14	148	143
Bank charges	196	74	678
	<u>1,589</u>	<u>1,603</u>	<u>6,341</u>

**17. LOSS PER SHARE**

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

	<b>Unaudited For the period ended March 31, 2016 <u>US\$</u></b>	<b>Unaudited For the period ended March 31, 2015 <u>US\$</u></b>	<b>Audited For the year ended December 31, 2015 <u>US\$</u></b>
Loss	(13,526)	(13,352)	(18,510)
Weighted average number of ordinary shares	400,000,000	400,000,000	400,000,000
Basic loss per share (in U.S. cents)	(0.00)	(0.00)	(0.00)

**C2W MUSIC LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**(UNAUDITED)**  
**THREE (3) MONTHS ENDED MARCH 31, 2016**

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**17. 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 2 and 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:

	<b>Unaudited For the period ended March 31, 2016</b>	Unaudited For the period ended March 31, 2015	Audited For the year ended December 31, 2015
Financial Assets			
Loans and receivables ( at amortised cost) (including cash and cash equivalents)	<u>252,290</u>	<u>258,273</u>	<u>272,624</u>
Financial Liabilities			
Other financial liabilities ( at amortised cost)	<u>244,378</u>	<u>237,707</u>	<u>251,292</u>

**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.