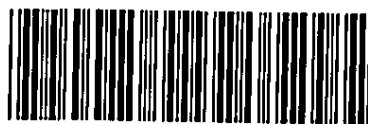


Company Registration No. 4668796 (England and Wales)

**CREATIVE ENTERTAINMENT EVENTS LIMITED**  
**FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 31 DECEMBER 2006**

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# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### COMPANY INFORMATION

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<b>Directors</b>	P Frohlich G Warren P Brightman (Appointed 31 October 2005) M H Croak (Appointed 31 October 2005) M G L Curie (Appointed 31 October 2005) J P Pither (Appointed 31 October 2005) P Fitzgerald (Appointed 26 October 2006)
<b>Secretary</b>	M G L Curle
<b>Company number</b>	4668796
<b>Registered office</b>	145-157 St John Street London EC1V 4PY
<b>Auditors</b>	Westbury 145-157 St John Street London EC1V 4PY
<b>Business address</b>	19 South Audley Street London W1
<b>Bankers</b>	HSBC 18A Curzon Street Mayfair London W1J 7LA

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# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

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Cash flow statement	7
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# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### DIRECTORS' REPORT

*FOR THE PERIOD ENDED 31 DECEMBER 2006*

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The directors present their report and financial statements for the period ended 31 December 2006

#### **Principal activities and review of the business**

The principal activity of the company continued to be that of arrangement and promotion of musical and other entertainment events

During the year company changed its name from Creative Entertainment Group Limited, on 13 January 2006

#### **Results and dividends**

The results for the period are set out on page 5

#### **Directors**

The following directors have held office since 1 August 2005

P Frohlich	
G Warren	
P Brightman	(Appointed 31 October 2005)
M H Croak	(Appointed 31 October 2005)
M G L Curle	(Appointed 31 October 2005)
J P Pither	(Appointed 31 October 2005)
P Fitzgerald	(Appointed 26 October 2006)

#### **Auditors**

Westbury were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### DIRECTORS' REPORT (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2006**

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#### **Directors' responsibilities**

The directors are responsible for preparing the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Statement of disclosure to auditor**

(a) so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and

(b) they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information

On behalf of the board



P Frohlich

Director

18/5/07

# **CREATIVE ENTERTAINMENT EVENTS LIMITED**

## **FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE SHAREHOLDERS OF CREATIVE ENTERTAINMENT EVENTS LIMITED**

#### **FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED**

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We have audited the financial statements of Creative Entertainment Events Limited

formerly Creative Entertainment Group Limited for the period ended 31 December 2006 set out on pages 5 to 17. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of the directors and auditors**

As described in the Statement of Directors' Responsibilities on page 2, the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985, and whether in our opinion the information given in the directors' report is consistent with the financial statements. We also report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of audit opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**CREATIVE ENTERTAINMENT EVENTS LIMITED**

**FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED**

**INDEPENDENT AUDITORS' REPORT (CONTINUED)**

**TO THE SHAREHOLDERS OF CREATIVE ENTERTAINMENT EVENTS LIMITED**

**FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED**

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**Opinion**

In our opinion

- the financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2006 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985, and
- have been properly prepared in accordance with the Companies Act 1985
- the information given in the directors' report is consistent with the financial statements

*Westbury*

Westbury

18/5/07

Chartered Accountants

Registered Auditor

145-157 St John Street  
London  
EC1V 4PY

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2006

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	Notes	Period ended 31 December 2006 £	Period ended 31 July 2005 £
Turnover	2	1,620,363	1,583,221
Cost of sales		(663,070)	(1,108,083)
<b>Gross profit</b>		<b>957,293</b>	<b>475,138</b>
Administrative expenses		(856,554)	(376,495)
<b>Operating profit</b>	3	<b>100,739</b>	<b>98,643</b>
Other interest receivable and similar income	4	424	388
Interest payable and similar charges	5	(4,323)	(332)
<b>Profit on ordinary activities before taxation</b>		<b>96,840</b>	<b>98,699</b>
Tax on profit on ordinary activities	6	(20,609)	(11,290)
<b>Profit for the period</b>	13	<b>76,231</b>	<b>87,409</b>

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The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account



# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### BALANCE SHEET

AS AT 31 DECEMBER 2006

	Notes	2006		2005	
		£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		31,432		10,190
Investments	8		102		102
			<u>31,534</u>		<u>10,292</u>
<b>Current assets</b>					
Debtors	9	1,005,271		247,946	
Cash at bank and in hand		16,448		675	
		<u>1,021,719</u>		<u>248,621</u>	
<b>Creditors, amounts falling due within one year</b>	10	<u>(945,026)</u>		<u>(226,917)</u>	
<b>Net current assets</b>			<u>76,693</u>		<u>21,704</u>
<b>Total assets less current liabilities</b>			<u>108,227</u>		<u>31,996</u>
			<u>108,227</u>		<u>31,996</u>
<b>Capital and reserves</b>					
Called up share capital	12		1,000		1,000
Profit and loss account	13		107,227		30,996
<b>Shareholders' funds</b>	14		<u>108,227</u>		<u>31,996</u>

Approved by the Board and authorised for issue on 18/5/07



P Frohlich  
Director

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2006

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	Period ended 31 December 2006		Period ended 31 July 2005	
	£	£	£	£
<b>Net cash inflow/(outflow) from operating activities</b>		61,614		(86,090)
<b>Returns on investments and servicing of finance</b>				
Interest received	424		388	
Interest paid	(4,323)		(332)	
	<u>          </u>		<u>          </u>	
<b>Net cash (outflow)/inflow for returns on investments and servicing of finance</b>		(3,899)		56
<b>Taxation</b>		(11,290)		-
<b>Capital expenditure and financial investment</b>				
Payments to acquire tangible assets	(35,217)		(13,970)	
Payments to acquire investments	-		(102)	
	<u>          </u>		<u>          </u>	
<b>Net cash outflow for capital expenditure</b>		(35,217)		(14,072)
		<u>          </u>		<u>          </u>
<b>Net cash inflow/(outflow) before management of liquid resources and financing</b>		11,208		(100,106)
		<u>          </u>		<u>          </u>
<b>Increase/(decrease) in cash in the period</b>		11,208		(100,106)
		<u>          </u>		<u>          </u>

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# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### NOTES TO THE CASH FLOW STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2006

<b>1</b>	<b>Reconciliation of operating profit to net cash inflow/(outflow) from operating activities</b>		<b>2006</b>	<b>2005</b>	
			<b>£</b>	<b>£</b>	
	Operating profit		100,739	98,643	
	Depreciation of tangible assets		13,975	5,777	
	Increase in debtors		(756,239)	(9,344)	
	Increase/(decrease) in creditors within one year		703,139	(181,166)	
	<b>Net cash inflow/(outflow) from operating activities</b>		<b>61,614</b>	<b>(86,090)</b>	
<b>2</b>	<b>Analysis of net debt</b>	<b>1 August 2005</b>	<b>Cash flow</b>	<b>Other non-cash changes</b>	<b>31 December 2006</b>
		<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
	Net cash				
	Cash at bank and in hand	675	15,773	-	16,448
	Bank overdrafts	(44,941)	(4,565)	-	(49,506)
		<u>(44,266)</u>	<u>11,208</u>	<u>-</u>	<u>(33,058)</u>
	Bank deposits	-	-	-	-
	<b>Net debt</b>	<u>(44,266)</u>	<u>11,208</u>	<u>-</u>	<u>(33,058)</u>
<b>3</b>	<b>Reconciliation of net cash flow to movement in net debt</b>		<b>2006</b>	<b>2005</b>	
			<b>£</b>	<b>£</b>	
	Increase/(decrease) in cash in the period		11,208	(100,106)	
	<b>Movement in net debt in the period</b>		<b>11,208</b>	<b>(100,106)</b>	
	Opening net (debt)/funds		(44,266)	55,840	
	<b>Closing net debt</b>		<b>(33,058)</b>	<b>(44,266)</b>	

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

*FOR THE PERIOD ENDED 31 DECEMBER 2006*

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#### **1 Accounting policies**

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention

##### **1.2 Turnover**

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

##### **1.3 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows

Fixtures, fittings & equipment	25% & 33% Straight Line
--------------------------------	-------------------------

##### **1.4 Investments**

Fixed asset investments are stated at cost less provision for diminution in value

##### **1.5 Deferred taxation**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted

##### **1.6 Foreign currency translation**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account

##### **1.7 Group accounts**

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Creative Entertainment Group Plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company

#### **2 Turnover**

The total turnover of the company for the period has been derived from its principal activity wholly undertaken in the United Kingdom

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

**FOR THE PERIOD ENDED 31 DECEMBER 2006**

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<b>3</b>	<b>Operating profit</b>	<b>2006</b>	<b>2005</b>
		£	£
	Operating profit is stated after charging		
	Depreciation of tangible assets	13,975	5,777
	Loss on foreign exchange transactions	18,718	-
	Auditors' remuneration	6,000	6,000
	Remuneration of auditors for non-audit work	20,564	8,965
		<u>          </u>	<u>          </u>
<b>4</b>	<b>Investment income</b>	<b>2006</b>	<b>2005</b>
		£	£
	Bank interest	424	388
		<u>          </u>	<u>          </u>
<b>5</b>	<b>Interest payable</b>	<b>2006</b>	<b>2005</b>
		£	£
	On bank loans and overdrafts	2,852	332
	On overdue tax	1,471	-
		<u>          </u>	<u>          </u>
		<u>4,323</u>	<u>332</u>

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

6	Taxation	2006 £	2005 £
	<b>Domestic current year tax</b>		
	U K corporation tax	21,695	11,290
	<b>Current tax charge</b>	21,695	11,290
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	(1,086)	-
		20,609	11,290
	<b>Factors affecting the tax charge for the period</b>		
	Profit on ordinary activities before taxation	96,840	98,699
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 19.00% (2005 - 19.00%)	18,400	18,753
	Effects of		
	Non deductible expenses	8,359	4,514
	Depreciation add back	2,655	1,098
	Capital allowances	(1,220)	(1,466)
	Tax losses utilised	(6,499)	(10,555)
	Other tax adjustments	-	(1,054)
		3,295	(7,463)
	<b>Current tax charge</b>	21,695	11,290

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE PERIOD ENDED 31 DECEMBER 2006*

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#### 7 Tangible fixed assets

	<b>Fixtures, fittings &amp; equipment £</b>
<b>Cost</b>	
At 1 August 2005	16,311
Additions	35,217
	<hr/>
At 31 December 2006	51,528
	<hr/>
<b>Depreciation</b>	
At 1 August 2005	6,121
Charge for the period	13,975
	<hr/>
At 31 December 2006	20,096
	<hr/>
<b>Net book value</b>	
At 31 December 2006	31,432
	<hr/> <hr/>
At 31 July 2005	10,190
	<hr/> <hr/>

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

#### 8 Fixed asset investments

	Shares in subsidiary undertakings £
<b>Cost</b>	
At 1 August 2005 & at 31 December 2006	102
<b>Net book value</b>	
At 31 December 2006	102
	<u>102</u>
At 31 July 2005	<u>102</u>

#### Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies

Company	Country of registration or incorporation	Class	Shares held %
<b>Subsidiary undertakings</b>			
Creative Entertainment International Limited	England and Wales	Ordinary	100 00
Creative Entertainment UK Limited	England and Wales	Ordinary	100 00

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows

		Capital and reserves 2006 £	Profit for the year 2006 £
	<b>Principal activity</b>		
Creative Entertainment International Limited	Event management	237,352	336,653
Creative Entertainment UK Limited	Dormant	100	-
		<u>237,452</u>	<u>336,653</u>



# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

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9 Debtors	2006	2005
	£	£
Trade debtors	859,041	98,398
Amounts owed by parent and fellow subsidiary undertakings	12,500	-
Other debtors	74,975	124,018
Prepayments and accrued income	57,669	25,530
Deferred tax asset (see note 11)	1,086	-
	<u>1,005,271</u>	<u>247,946</u>

10 Creditors: amounts falling due within one year	2006	2005
	£	£
Bank loans and overdrafts	49,506	44,941
Trade creditors	90,521	60,665
Amounts owed to parent and fellow subsidiary undertakings	390,245	-
Amounts owed to subsidiary undertakings	130,773	-
Corporation tax	21,695	11,290
Other taxes and social security costs	186,003	45,491
Directors' current accounts	-	2,330
Other creditors	41,063	47,804
Accruals and deferred income	35,220	14,396
	<u>945,026</u>	<u>226,917</u>

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 DECEMBER 2006

#### 11 Provisions for liabilities and charges

The deferred tax asset (included in debtors, note 9) is made up as follows:

	2006 £	
Profit and loss account	(1,086)	
	<u>(1,086)</u>	
	2006 £	2005 £
Decelerated capital allowances	(1,086)	-
	<u>(1,086)</u>	<u>-</u>
<b>12 Share capital</b>	<b>2006 £</b>	<b>2005 £</b>
<b>Authorised</b>		
1,200 Ordinary shares of £1 each	1,200	1,200
	<u>1,200</u>	<u>1,200</u>
<b>Allotted, called up and fully paid</b>		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
<b>13 Statement of movements on profit and loss account</b>		<b>Profit and loss account £</b>
Balance at 1 August 2005		30,996
Profit for the period		76,231
		<u>107,227</u>
Balance at 31 December 2006		<u>107,227</u>

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

#### FOR THE PERIOD ENDED 31 DECEMBER 2006

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14 Reconciliation of movements in shareholders' funds	2006	2005
	£	£
Profit for the financial period	76,231	87,409
Opening shareholders' funds	31,996	(55,413)
	<hr/>	<hr/>
Closing shareholders' funds	108,227	31,996
	<hr/> <hr/>	<hr/> <hr/>

15 Directors' emoluments	2006	2005
	£	£
Emoluments for qualifying services	117,391	-
	<hr/> <hr/>	<hr/> <hr/>

#### 16 Employees

##### Number of employees

The average monthly number of employees (including directors) during the period was

2006	2005
Number	Number
5	3
<hr/> <hr/>	<hr/> <hr/>

##### Employment costs

Wages and salaries  
Social security costs

2006	2005
£	£
302,533	39,676
19,605	4,056
<hr/>	<hr/>
322,138	43,732
<hr/> <hr/>	<hr/> <hr/>

#### 17 Control

The directors consider the ultimate controlling parties to be the directors of the company's ultimate parent undertaking, Creative Entertainment Group Plc

# CREATIVE ENTERTAINMENT EVENTS LIMITED

## FORMERLY CREATIVE ENTERTAINMENT GROUP LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE PERIOD ENDED 31 DECEMBER 2006*

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#### **18 Related party transactions**

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company

During the period the following transactions were made with related parties

- a) The company paid £651 (2005 £Nil) in respect of a laptop purchased from Belgravia Financial Services Limited, a company in which the director, P Frohlich, has a material interest
- b) The company was charged £9,894 (2005 £Nil) in respect of consultancy services by the director, P Frohlich
- c) The company was also charged £97,497 (2005 £62,492) consultancy fees by the director, P Brightman