

JEWEL MUSIC PUBLISHING COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 JUNE 1997

DODD HARRIS
CHARTERED ACCOUNTANTS



COMPANY REGISTERED NUMBER 611708

JEWEL MUSIC PUBLISHING COMPANY LIMITED

FINANCIAL STATEMENTS

for the year ended 30 June 1997

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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JEWEL MUSIC PUBLISHING COMPANY LIMITED

DIRECTORS' REPORT

for the year ended 30 June 1997

The directors present their report and the audited financial statements for the year ended 30 June 1997.

Principal activity

The principal activity of the company continued to be music publishers and consultants.

Directors

The directors of the company during the year and their beneficial interests in the company's issued share capital were as follows:-

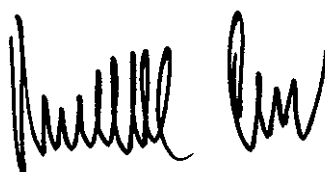
	30 June 1997 shares	1 July 1996 shares
M Chess	12 A	12 A
Mrs C Goodman	12 A	12 A
J Hammond	-	-
B W Hitchens	-	-

Auditors

The auditors Dodd Harris, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the board on 31 March 1998 and signed on its behalf.

M Chess
Director



JEWEL MUSIC PUBLISHING COMPANY LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 year. In preparing those financial statements we are required to:

- select suitable accounting policies and 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.

We are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable us to ensure that the financial statements comply with the Companies Act 1985. We 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.

31 March 1998

By order of the board

JEWEL MUSIC PUBLISHING COMPANY LIMITED**Auditors' report to the shareholders of****Jewel Music Publishing Company Limited**

We have audited the financial statements on pages 4 to 8 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 2, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 June 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Dodd Harris
Registered Auditors And
Chartered Accountants
35/37 Brent Street
London NW4 2EF

31 March 1998

Dodd Harris

JEWEL MUSIC PUBLISHING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30 June 1997

	Notes	1997 £	1996 £
Turnover	2	392,542	401,985
Cost of sales		(166,870)	(188,617)
Gross profit		225,672	213,368
Net operating expenses			
Administrative expenses		(43,498)	(44,499)
Interest receivable		11,937	15,305
Profit on ordinary activities before taxation	3	194,111	184,174
Taxation	4	(45,121)	(45,586)
Profit on ordinary activities after taxation		148,990	138,588
Dividends	5	(149,000)	(142,000)
Retained loss for the year	9	(10)	(3,412)

Movements in reserves are shown in note 9.

There are no recognised gains and losses in 1997 or 1996 other than the loss for the year.

The notes on pages 6 to 8 form part of these financial statements.

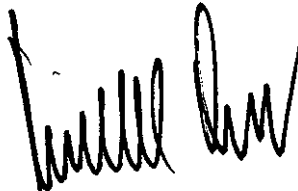
BALANCE SHEET

as at 30 June 1997

	Notes	£	1997	£	1996	£
Current assets						
Debtors	6	121,969		165,733		
Cash at bank and in hand		263,059		239,055		
		385,028		404,788		
Creditors: amounts falling due within one year	7	(384,752)		(404,502)		
Net current assets			276		286	
Total assets less current liabilities			276		286	
Capital and reserves						
Called up share capital	8		100		100	
Profit and loss account	9		176		186	
Shareholders' funds - all equity	10		276		286	

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 31 March 1998 and signed on its behalf.

M Chess
Director



The notes on pages 6 to 8 form part of these financial statements.

JEWEL MUSIC PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 1997

1 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost accounting convention and include the results of the company's operations which are described in the Directors Report and are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirements to produce a cash flow statement on the grounds that it is a small company.

Turnover

The turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax.

U.K. mechanical and performing fees are accounted for on an accruals basis all other income is accounted for on a cash basis.

2 Turnover

In the opinion of the directors, 1% of the turnover of the company is attributable to geographical markets outside the UK (1996 - 4%).

3 Operating profit

	1997 £	1996 £
Operating profit is stated after charging:		
Auditors' remuneration	3,600	3,500

4 Taxation

	1997 £	1996 £
UK current year taxation		
UK Corporation tax at 24% (1996 - 25%)	45,121	45,586

5 Dividends

	1997 £	1996 £
Paid interim dividend £1,250 per share	125,000	-
Proposed final dividend £240 per share	24,000	142,000
	149,000	142,000

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 1997

6 Debtors: amounts falling due within one year

	1997 £	1996 £
Trade debtors	85,695	119,556
Other debtors	28,832	10,677
	<u>114,527</u>	<u>130,233</u>
Amounts falling due after more than one year		
Advance corporation tax recoverable	7,442	35,500
	<u>121,969</u>	<u>165,733</u>

7 Creditors: amounts falling due within one year

	1997 £	1996 £
Trade creditors	146,697	172,318
Other creditors	238,055	232,184
	<u>384,752</u>	<u>404,502</u>

Included within other creditors is an amount of £12,096 (1996 - £10,237) relating to social security and other taxes.

8 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
A Shares of £1 each	50	50	50	50
B Shares of £1 each	50	50	50	50
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>
Allotted called up and fully paid				
A Shares of £1 each	50	50	50	50
B Shares of £1 each	50	50	50	50
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

9 Profit and loss account

	1997 £
1 July 1996	186
Retained loss for the year	(10)
	<u>176</u>
30 June 1997	

JEWEL MUSIC PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 1997

10 Movements on shareholders' funds

	1997 £	1996 £
Profit for the financial year	148,990	138,588
Dividends	(149,000)	(142,000)
Net subtraction from shareholders' funds	(10)	(3,412)
Opening shareholders' funds	286	3,698
Closing shareholders' funds	276	286

11 Post balance sheet event

As disclosed in last year's accounts, the company is in dispute with the original publishers of the majority of its copyright. As at the date of approving last year's accounts an agreement had been reached in principle and it was anticipated that the effective date would be 1 July 1997. As no formal agreement has been entered into by the company, the directors cannot state with any certainty when the new arrangement will be effective.