

JEWEL MUSIC PUBLISHING COMPANY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30TH JUNE 1999



Company No. 611708

JEWEL MUSIC PUBLISHING COMPANY LIMITED

CONTENTS

	Page
Directors' Report	1
Auditors' Report	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5 to 6
<i>The following pages do not form part of the statutory financial statements:</i>	
Management Profit and Loss Account	7

JEWEL MUSIC PUBLISHING COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 1999

The directors present their report together with the audited financial statements for the year ended 30th June 1999.

Principal Activities

The company's principal activity continued to be that of music publishers and consultants.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	30th June 1999	1st July 1998
M Chess	12	12
Mrs C Goodman	-	12
B W Hitchens	-	-
Ms J M Dyball (appointed 25 February 1999)	-	-
J Hammond (resigned 25 February 1999)	-	-

The above directors interests were in respect of A shares.

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss for that year. In preparing these 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.

Auditors

A resolution to reappoint Dodd Harris as auditors will be put to the members at the Annual General Meeting.

Small company exemptions

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and was approved by the board on 24th March 2000, and signed on its behalf.

M Chess
Director



AUDITORS' REPORT TO THE SHAREHOLDERS OF JEWEL MUSIC PUBLISHING COMPANY LIMITED

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and report our opinion to you.

Basis of Opinion

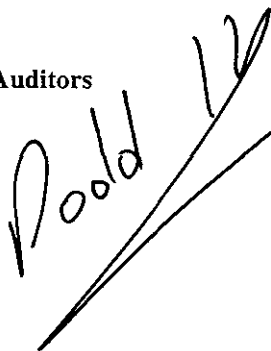
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 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 the 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 30th June 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Dodd Harris
Chartered Accountants and Registered Auditors
35/37 Brent Street
London
NW4 2EF
Date: 24th March 2000

A handwritten signature in black ink, appearing to read 'Dodd Harris', is written over a long, thin, slightly curved line that extends from the signature area towards the right margin of the page.

JEWEL MUSIC PUBLISHING COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30TH JUNE 1999

	Notes	1999 £	1998 £
Turnover	2	228,532	327,758
Cost of Sales		97,567	143,291
Gross Profit		130,965	184,467
Administrative Expenses		27,636	37,189
Operating Profit	3	103,329	147,278
Interest Receivable		8,310	8,284
Profit on Ordinary Activities before Taxation		111,639	155,562
Tax on profit on ordinary activities	4	23,166	32,658
Profit for the Financial Year		88,473	122,904
Dividends	5	88,000	123,000
Retained Profit/Loss for the Year		473	(96)
Retained Profit Brought Forward		80	176
Retained Profit Carried Forward		553	80

All amounts relate to continuing activities.

There were no recognised gains or losses for 1999 or 1998 other than those included in the profit and loss account.

JEWEL MUSIC PUBLISHING COMPANY LIMITED

BALANCE SHEET

AS AT 30TH JUNE 1999

	Notes	£	1999 £	£	1998 £
Current Assets					
Debtors	6		71,071		102,845
Cash at bank and in hand			138,992		243,113
			<u>210,063</u>		<u>345,958</u>
Creditors: Amounts Falling Due Within One Year	7		<u>209,410</u>		<u>345,778</u>
Total Assets Less Current Liabilities			<u>653</u>		<u>180</u>
Capital and Reserves					
Share capital	8		100		100
Profit and loss account			553		80
Shareholders' Funds	9		<u>653</u>		<u>180</u>

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 24th March 2000 and signed on its behalf.

M Chess
Director



JEWEL MUSIC PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1999

1 Accounting Policies

Basis of Accounting

The Financial Statements have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement 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.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

2 Turnover

Turnover is attributable to the principal activity of the company.

The percentage of turnover attributable to overseas markets was 2% (1998: 1%).

3 Operating Profit

The operating profit is arrived at after charging or crediting:

	1999	1998
	£	£
Auditors' remuneration	3,500	3,750

4 Taxation

	1999	1998
	£	£
Based on the profit for the year		
UK corporation tax at 21% (1998 - 21%)	23,166	32,658

5 Dividends

	1999	1998
	£	£
Ordinary dividends - paid	-	100,000
Ordinary dividends - proposed	88,000	23,000
	88,000	123,000

JEWEL MUSIC PUBLISHING COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH JUNE 1999

6	Debtors	1999	1998
		£	£
	Trade debtors	62,649	68,255
	Other debtors	8,422	34,590
		<u>71,071</u>	<u>102,845</u>
Included within other debtors is an amount of £- (1998 - £30,750) falling due after more than one year.			
7	Creditors: Amounts Falling Due Within One Year	1999	1998
		£	£
	Trade creditors	93,802	130,191
	Corporation tax	789	55,918
	Other taxes and social security	7,436	8,966
	Dividends	88,000	123,000
	Other creditors	19,383	27,703
		<u>209,410</u>	<u>345,778</u>
8	Share Capital	1999	1998
		£	£
	Authorised		
	A Ordinary shares of £1.00 each	50	50
	B Ordinary shares of £1.00 each	50	50
		<u>100</u>	<u>100</u>
	Allotted called up and fully paid		
	A ordinary shares of £1.00 each	50	50
	B ordinary shares of £1.00 each	50	50
		<u>100</u>	<u>100</u>
9	Reconciliation of Shareholders' Funds	1999	1998
		£	£
	Profit for the financial year	88,473	122,904
	Dividends	(88,000)	(123,000)
		<u>473</u>	<u>(96)</u>
	Increase/Decrease in the shareholders' funds	473	(96)
	Opening shareholders' funds	180	276
		<u>653</u>	<u>180</u>
	Closing shareholders' funds	653	180

JEWEL MUSIC PUBLISHING COMPANY LIMITED**MANAGEMENT PROFIT AND LOSS ACCOUNT**

FOR THE YEAR ENDED 30TH JUNE 1999

	1999	1998
	£	£
Royalty receivable	228,532	327,758
Royalty payable	97,567	143,291
Gross Profit	130,965	184,467
Interest Receivable		
Bank deposit interest	8,267	8,195
Other interest received	43	89
	8,310	8,284
	139,275	192,751
Less Expenses		
Administration charge	22,853	32,776
Auditors' remuneration	3,500	3,750
Bank charges	722	653
Sundry expenses	561	10
	27,636	37,189
Net Profit for the Year	111,639	155,562