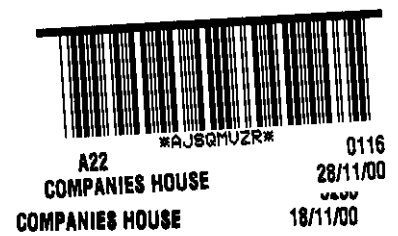


THE HOLLIES LIMITED

**REPORT AND
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
30 APRIL 2000**

REGISTERED NUMBER: 758607



THE HOLLIES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

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THE HOLLIES LIMITED

COMPANY INFORMATION AT 30 APRIL 2000

DIRECTORS

A C Hicks Esq
R H Elliott Esq

SECRETARY

R H Elliott Esq

BUSINESS ADDRESS

Devonshire House
1 Devonshire Street
London
W1W 5DR

AUDITORS

Citroen Wells
Chartered Accountants
Devonshire House
1 Devonshire Street
London
W1W 5DR

PRINCIPAL BANKERS

National Westminster Bank
P O Box No 4RY
250 Regent Street
London
W1A 4RY

THE HOLLIES LIMITED

DIRECTORS' REPORT

The directors present their annual report with the financial statements of the company for the year ended 30 April 2000.

PRINCIPAL ACTIVITIES

The Company is principally engaged in exploiting the performing and recording talent of the group known as "The Hollies".

REVIEW OF THE BUSINESS

The net profit after providing for taxation amounted to £4,412.

The development of the business was satisfactory during the financial year and at the year end the state of affairs of the Company was satisfactory.

There have been no important events affecting the Company since the end of the year and no major future developments in the business of the Company are anticipated.

DIRECTORS AND THEIR INTERESTS

The directors in office in the year and their beneficial interests in the company at the balance sheet date and the beginning of the year (or on appointment if later) were as follows:

		Number of Shares	
		2000	1999
A C Hicks Esq	Ordinary £1 shares	1	1
R H Elliott Esq	Ordinary £1 shares	1	1

A C Hicks Esq and R H Elliott Esq also hold four shares jointly with A Clarke Esq.

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 affairs of the company as at the end of the financial year 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

THE HOLLIES LIMITED

DIRECTORS' REPORT

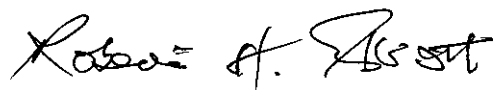
AUDITORS

The auditors, Citroen Wells, will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

SMALL COMPANIES EXEMPTION

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board:



R H Elliott Esq
Secretary

Date: 10 November 2000

THE HOLLIES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and on the basis of accounting policies set out on page 7.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND AUDITORS

As described in the directors' report, 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.

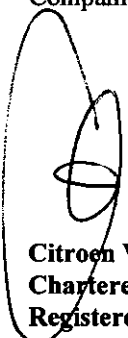
BASIS OF OPINION

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 as to whether 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.

OPINION

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30 April 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Citroen Wells
Chartered Accountants
Registered Auditors
Devonshire House
1 Devonshire Street
London
W1W 5DR**

Date: 16 November 2000

THE HOLLIES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2000

	Notes	2000 £	1999 £
TURNOVER		421,827	511,874
Administrative expenses		418,486	519,227
OPERATING PROFIT / (LOSS)	2	3,341	(7,353)
Investment income and interest receivable	3	1,887	5,027
Interest payable and similar charges	4	(5)	(75)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		5,223	(2,401)
Tax on profit / (loss) on ordinary activities	6	(811)	63
PROFIT / (LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		4,412	(2,338)

Continuing operations

None of the company's activities were acquired or discontinued during the above two financial years.

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

Historical cost

The difference between the results as disclosed in the profit and loss account before tax, and retained profit for the year, on an unmodified historical cost basis is not material.

THE HOLLIES LIMITED

BALANCE SHEET AT 30 APRIL 2000

	Notes	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible assets	7		537		716
CURRENT ASSETS					
Debtors	8	18,057		129,737	
Cash at bank and in hand		205,480		57,987	
		223,537		187,724	
CREDITORS: amounts falling due within one year	9	(197,935)		(166,713)	
NET CURRENT ASSETS			25,602		21,011
TOTAL ASSETS LESS CURRENT LIABILITIES			26,139		21,727
CAPITAL AND RESERVES					
Called up share capital	10		7		7
Profit and loss account	11		26,132		21,720
TOTAL SHAREHOLDERS' FUNDS	12		26,139		21,727

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board of directors on 10 November 2000 and signed on its behalf by the following directors:

A C Hicks Esq:



R H Elliott Esq:



The notes on pages 7 to 10 form part of these financial statements.

THE HOLLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1: "Cash flow statements".

Turnover

Turnover comprises fees receivable and royalties received during the year stated net of value added tax.

Depreciation of tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its useful life:

Equipment	25% reducing value
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2. OPERATING PROFIT / (LOSS)

Operating profit / (loss) is stated

	2000	1999
	£	£
After charging:		
Depreciation of fixed assets	179	239
Auditors' remuneration	2,500	2,500
Non-audit service remuneration paid to auditors	9,268	11,518
Hire of equipment	63,267	83,430
	<u>63,267</u>	<u>83,430</u>

3. INVESTMENT INCOME AND INTEREST RECEIVABLE

	2000	1999
	£	£
Interest received and receivable		
Bank interest	1,885	5,027
Other interest	2	-
	<u>1,887</u>	<u>5,027</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Other interest	5	75
	<u>5</u>	<u>75</u>

THE HOLLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

5. INFORMATION ON DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Staff costs		
Wages and salaries	80,253	72,500
Social security costs	8,854	7,214
	<u>89,107</u>	<u>79,714</u>

	2000	1999
	£	£
Directors' emoluments		
Emoluments, including pension contributions to money purchase (defined contribution) schemes	<u>80,253</u>	<u>72,500</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000	1999
	£	£
The taxation charge comprises:		
Current tax on income for the year	<u>811</u>	<u>(63)</u>

7. TANGIBLE FIXED ASSETS

	Equipment
	£
Cost:	
At 1 May 1999 and at 30 April 2000	<u>33,539</u>
Depreciation:	
At 1 May 1999	32,823
Charge for year	<u>179</u>
At 30 April 2000	<u>33,002</u>
Net book value:	
At 30 April 2000	<u>537</u>
At 30 April 1999	<u>716</u>

THE HOLLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

8. DEBTORS

	2000	1999
	£	£
Trade debtors	13,567	129,087
Other debtors	4,490	650
	<u>18,057</u>	<u>129,737</u>

9. CREDITORS: amounts falling due within one year

	2000	1999
	£	£
Trade creditors	164,352	78,821
Taxation and social security	2,529	28,060
Other creditors	31,054	59,832
	<u>197,935</u>	<u>166,713</u>

10. SHARE CAPITAL

	2000	1999
	£	£
Authorised:		
Equity interests:		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid:		
Equity interests:		
7 Ordinary shares of £1 each	<u>7</u>	<u>7</u>

11. PROFIT AND LOSS ACCOUNT

	2000	1999
	£	£
Retained profit as at 1 May 1999	21,720	24,058
Profit / (loss) for the year	4,412	(2,338)
Retained profit as at 30 April 2000	<u>26,132</u>	<u>21,720</u>

THE HOLLIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2000

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit / (loss) for the year	4,412	(2,338)
Opening shareholders' funds	21,727	24,065
Closing shareholders' funds	<u>26,139</u>	<u>21,727</u>
 Represented by:-		
Equity interests	<u>26,139</u>	<u>21,727</u>

13. CONTINGENT LIABILITIES

There were no contingent liabilities at 30 April 2000.

14. CAPITAL COMMITMENTS

At 30 April 2000 there were no commitments for capital expenditure.

15. RELATED PARTY DISCLOSURES

A C Hicks Esq and R H Elliott Esq are two of the partners of Hollies Recording Company.

The Hollies Limited acted as agent in collecting royalties due to the partnership and as at 30 April 2000 £159,058 (last year - £4,320) was owed by the company to Hollies Recording Company.

Fees payable in the sum of £45,031 (last year - £49,857) are payable to a company in which A Clarke Esq, a shareholder, has a material interest.