Registration Number 837421

Dunmo Music Publishing Company Limited

Directors' Report and Financial Statements

for the year ended 31 December 2000



Dunmo Music Publishing Company Limited

Company Information

Directors	B. A. Morrison G. M. Morrison N. R. Elderton D. P. Toone
Secretary	D. P. Toone
Company Number	837421
Registered Office	Peer House 8/14 Verulam Street London WC1X 8LZ
Auditors	Bowker Orford 15/19 Cavendish Place London W1G 0DD
Bankers	Coutts & Co. 440 Strand London WC2R OQS

Dunmo Music Publishing Company Limited

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Dunmo Music Publishing Company Limited

Directors' Report
for the year ended 31 December 2000

The directors present their report and the financial statements for the year ended 31 December 2000.

Principal Activity
The principal activity of the company during the year was music publishing. There were no significant changes in the principal activity during the year and no changes are envisaged in the future.

Directors and their Interests
The directors who served during the year and their interests in the company are as stated below:

		Ordinary A shares		Ordinary B shares	
		2000	1999	2000	1999
B. A. Morrison		-	-	50	50
J. Morrison	(Resigned 21/12/2000)	-	-	-	-
G. M. Morrison	(Appointed 22/12/2000)	-	-	-	-
N. R. Elderton		-	-	-	-
D. P. Toone		-	-	-	-

B. A. Morrison and D. P. Toone retire by rotation and being eligible offer themselves for re-election.

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 affairs of the company and of the profit or loss of the company for that year. In preparing these the directors 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.

The directors are responsible for keeping 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.

Auditors
In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Bowker Orford be reappointed as auditors of the company will be put to the Annual General Meeting.

This report was approved by the Board on 10th July 2001 and signed on its behalf by

D. P. Toone

D. P. Toone
Secretary

Auditors' Report to the Shareholders of Dunmo Music Publishing Company Limited

We have audited the financial statements on pages 3 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1 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 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 2000 and of its loss and cash flows for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 relating to small companies.

Bowker Orford

Bowker Orford

Chartered Accountants and
Registered Auditors

15/19 Cavendish Place
London
W1G 0DD

Date: 12th July 2001

Profit and Loss Account
for the year ended 31 December 2000

	Notes	2000 £	1999 £
Turnover	2	12,166	13,361
Direct costs		(5,523)	(5,567)
Gross profit		6,643	7,794
Administrative expenses		(6,649)	(7,782)
(Loss)/retained profit for the year	3	(6)	12
Accumulated (loss) brought forward		(91)	(103)
Accumulated (loss) carried forward		(97)	(91)

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 9 form an integral part of these financial statements.

Balance Sheet
as at 31 December 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Intangible assets	4		1		1
Current Assets					
Debtors	5	7,114		10,473	
Cash at bank and in hand		-		4	
		7,114		10,477	
Creditors: amounts falling due within one year	6	(7,112)		(10,469)	
Net Current Assets			2		8
Total Assets Less Current Liabilities			3		9
Capital and Reserves					
Called up share capital	7		100		100
Profit and loss account			(97)		(91)
Equity Shareholders' Funds	9		3		9

The financial statements were approved by the Board on 10th July 2001 and signed on its behalf by

N. R. Elderton
Director

D. P. Toone
Director

The notes on pages 6 to 9 form an integral part of these financial statements.

Cash Flow Statement
for the year ended 31 December 2000

	Notes	2000 £	1999 £
Reconciliation of operating (loss)/profit to net cash outflow from operating activities			
Operating (loss)/profit		(6)	12
Decrease in debtors		3,359	(764)
(Decrease) in creditors		(3,391)	676
Net cash outflow from operating activities		(38)	(76)
CASH FLOW STATEMENT			
Decrease in cash in the year		(38)	(76)
Reconciliation of net cash flow to movement in net debt (Note 12)			
Decrease in cash in the year		(38)	(76)
Net funds at 1 January 2000		4	80
Net debt at 31 December 2000		(34)	4

1. Accounting Policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention.

1.2. Turnover

Turnover represents royalties and fees received from the users of musical copyright and sales of printed music and recordings.

1.3. Copyrights.

Copyrights are included in the balance sheet at a nominal amount. Acquisitions are written off in the year of purchase.

1.4. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

2. Turnover

	Turnover	
	2000	**1999**
	£	**£**
Geographical market		
UK	7,672	7,547
Rest of the World	4,494	5,814
	12,166	13,361

Turnover attributable to geographical markets outside the United Kingdom amounted to 37% for the year.

3. Operating (loss)/profit

	2000	**1999**
	£	**£**
Operating (loss)/profit is stated after charging:		
Auditors' remuneration	750	750

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4. Intangible fixed assets

	Copyrights
	£
Cost	
At 1 January 2000 and	
At 31 December 2000	1
Net book values	
At 31 December 2000	1
At 31 December 1999	1

The copyrights owned by the Company have been nominally valued at £1. Their market value, which is material, cannot be ascertained with any degree of accuracy.

5. Debtors

	2000	1999
	£	£
Trade debtors	3,680	8,049
Amounts owed by group undertakings	3,029	2,424
Other debtors	405	-
	7,114	10,473

6. Creditors: amounts falling due within one year

	2000	1999
	£	£
Bank overdraft	34	-
Trade creditors	698	2,260
Other taxes and social security costs	-	609
Accruals and deferred income	6,380	7,600
	7,112	10,469

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7. Share capital

	2000 £	1999 £
Authorised equity		
50 Ordinary A shares of £1 each	50	50
50 Ordinary B shares of £1 each	50	50
	100	100
Allotted, called up and fully paid equity		
50 Ordinary A shares of £1 each	50	50
50 Ordinary B shares of £1 each	50	50
	100	100

8. Shareholders

		2000 No. of Shares	1999 No. of Shares
Peermusic (UK) Limited	'A' shares	50	50
B.A. Morrison	'B' shares	50	50
		100	100

9. Reconciliation of movements in shareholders' funds

	2000 £	1999 £
(Loss)/profit for the year	(6)	12
Opening shareholders' funds	9	(3)
	3	9

10. Related party transactions

Peermusic (UK) Ltd provided goods and services during the year totalling £2,815 (1999 £3,425).

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12. Analysis of changes in net debt

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	4	(4)	-
Overdrafts	-	(34)	(34)
	4	(38)	(34)
Net debt	4	(38)	(34)