

Registration number 837421

Dunmo Music Publishing Company Limited

Directors' report and financial statements

for the year ended 31 December 2002



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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
Business address	Peer House 8 - 14 Verulam Street London WC1X 8LZ
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 2002

The directors present their report and the financial statements for the year ended 31 December 2002.

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	
	31/12/02	01/01/02	31/12/02	01/01/02
B. A. Morrison	-	-	50	50
G. M. Morrison	-	-	-	-
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.

The directors recommend that Bowker Orford remain in office until further notice.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 2nd July 2003 and signed on its behalf by

D. P. Toone

D. P. Toone
Secretary

Dunmo Music Publishing Company Limited

Independent auditors' report to the shareholders of Dunmo Music Publishing Company Limited

We have audited the financial statements of Dunmo Music Publishing Company Limited for the year ended 31 December 2002 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's shareholders, 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 shareholders 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 shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the statement of directors' responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if 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 transactions with the company 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 United Kingdom 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.

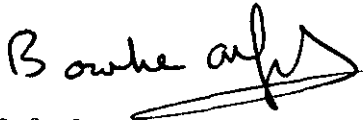
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity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

Dunmo Music Publishing Company Limited

Independent auditors' report to the shareholders of Dunmo Music Publishing Company Limited

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 2002 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Bowker Orford
Chartered Accountants and
Registered Auditors

15 - 19 Cavendish Place
London
W1G 0DD

9th July 2003

Dunmo Music Publishing Company Limited

**Profit and loss account
for the year ended 31 December 2002**

		Continuing operations	
		2002	2001
	Notes	£	£
Turnover	2	58,520	8,711
Cost of sales		(28,891)	(3,495)
Gross profit		29,629	5,216
Administrative expenses		(29,612)	(5,214)
Operating profit	3	17	2
Other interest receivable and similar income		-	1
Profit on ordinary activities before taxation		17	3
Retained profit for the year		17	3
Accumulated loss brought forward		(94)	(97)
Accumulated loss carried forward		(77)	(94)

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

The notes on pages 7 to 9 form an integral part of these financial statements.

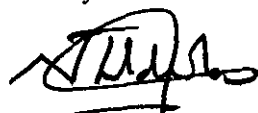
Dunmo Music Publishing Company Limited

Balance sheet as at 31 December 2002

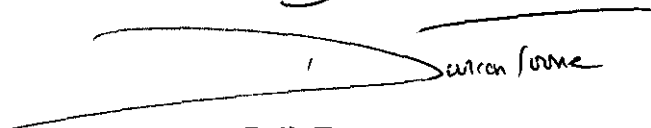
		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Intangible assets	4		1		1
Current assets					
Debtors	5	54,777		6,872	
Cash at bank and in hand		1,108		41	
		<u>55,885</u>		<u>6,913</u>	
Creditors: amounts falling due within one year	6	<u>(55,863)</u>		<u>(6,908)</u>	
Net current assets			22		5
Net assets			<u>23</u>		<u>6</u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account			(77)		(94)
Equity shareholders' funds	9		<u>23</u>		<u>6</u>

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

The financial statements were approved by the Board on 2nd July 2003 and signed on its behalf by



N. R. Elderton
Director



D. P. Toone
Director

The notes on pages 7 to 9 form an integral part of these financial statements.

Dunmo Music Publishing Company Limited

**Cash flow statement
for the year ended 31 December 2002**

	Notes	2002 £	2001 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		17	2
(Increase) in debtors		(47,905)	242
Increase in creditors		48,955	(170)
Net cash inflow from operating activities		<u>1,067</u>	<u>74</u>
Cash flow statement			
Net cash inflow from operating activities		1,067	74
Returns on investments and servicing of finance	11	-	1
Increase in cash in the year		<u>1,067</u>	<u>75</u>
Reconciliation of net cash flow to movement in net funds (Note 12)			
Increase in cash in the year		1,067	75
Net funds at 1 January 2002		41	(34)
Net funds at 31 December 2002		<u>1,108</u>	<u>41</u>

Dunmo Music Publishing Company Limited

Notes to the financial statements for the year ended 31 December 2002

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. Patents

Patents are valued at cost less accumulated amortisation.

1.4. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

2. Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 81% for the year.

3. Operating profit

Operating profit is stated after charging:
Auditors' remuneration

2002	2001
£	£
750	750
<u>750</u>	<u>750</u>

4. Intangible fixed assets

Cost

At 1 January 2002

At 31 December 2002

Patents	Total
£	£
1	1
1	1
<u>1</u>	<u>1</u>
1	1
<u>1</u>	<u>1</u>

Net book values

At 31 December 2002

At 31 December 2001

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.

Dunmo Music Publishing Company Limited

Notes to the financial statements for the year ended 31 December 2002

..... continued

5. Debtors		2002	2001
		£	£
Trade debtors		46,540	5,083
Amounts owed by group undertakings		7,667	1,789
Other debtors		570	-
		<u>54,777</u>	<u>6,872</u>
6. Shareholders		2002	2001
		No. of	No. of
		Shares	Shares
Peermusic (UK) Limited	'A' shares	50	50
B.A. Morrison	'B' shares	50	50
		<u>100</u>	<u>100</u>
7. Creditors: amounts falling due within one year		2002	2001
		£	£
Trade creditors		24,213	1,796
Other taxes and social security costs		-	162
Accruals and deferred income		31,650	4,950
		<u>55,863</u>	<u>6,908</u>
8. Share capital		2002	2001
		£	£
Authorised equity			
50 Ordinary A shares of 1 each		50	50
50 Ordinary B shares of 1 each		50	50
		<u>100</u>	<u>100</u>
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
		<u>100</u>	<u>100</u>

Dunmo Music Publishing Company Limited

**Notes to the financial statements
for the year ended 31 December 2002**

..... continued

9. Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
Profit for the year	17	3
Opening shareholders' funds	6	3
Closing shareholders' funds	<u>23</u>	<u>6</u>

10. Related party transactions

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

11. Gross cash flows

	2002	2001
	£	£
Returns on investments and servicing of finance		
Interest received	<u>-</u>	<u>1</u>

12. Analysis of changes in net debt

	Opening balance	Cash flows	Closing balance
	£	£	£
Cash at bank and in hand	41	1,067	1,108
Net debt	<u>41</u>	<u>1,067</u>	<u>1,108</u>