Company Registration No. 1543521 (England and Wales)

BLIZZARD MUSIC LIMITED

DIRECTOR'S REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JANUARY 2001



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BLIZZARD MUSIC LIMITED

COMPANY INFORMATION

Director	JOHN OSBOURNE
Secretary	KEENCREST LIMITED
Company number	1543521
Registered office	Regent House 1 Pratt Mews London NW1 OAD
Accountants	Newman & Company Regent House 1 Pratt Mews London NW1 OAD

BLIZZARD MUSIC LIMITED

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BLIZZARD MUSIC LIMITED

DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 JANUARY 2001

The director presents his report and the unaudited financial statements of the company for the year ended 31 January 2001.

Principal activities
The principal activity of the company was music publishing.

Director
The following director has held office since 1 February 2000:

JOHN OSBOURNE

Director's interests
The director who served during the year and his interests in the ordinary shares of the company at the beginning and end of the year were as follows:

	Ordinary shares of £ 1 each	
	31 January 2001	**1 February 2000**
JOHN OSBOURNE	99	99

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

On behalf of the board

JOHN OSBOURNE
Director
25 July 2001

BLIZZARD MUSIC LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 2001

	Notes	2001 £	2000 £
Turnover	2	319,855	264,363
Administrative expenses		(305,566)	(257,516)
Operating profit		14,289	6,847
Other interest receivable and similar income		5,056	5,191
Interest payable and similar charges	3	-	(810)
Profit on ordinary activities before taxation		19,345	11,228
Tax on profit on ordinary activities	4	(3,848)	(2,264)
Profit on ordinary activities after taxation	9	15,497	8,964

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

BLIZZARD MUSIC LIMITED

BALANCE SHEET
AS AT 31 JANUARY 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed assets					
Investments	5		263		263
Current assets					
Debtors	6	133,721		68,850	
Cash at bank and in hand		176,539		147,064	
		310,260		215,914	
Creditors: amounts falling due within one year	7	(244,677)		(165,827)	
Net current assets			65,583		50,087
Total assets less current liabilities			65,846		50,350
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		65,746		50,250
Shareholders' funds - equity interests	10		65,846		50,350

In preparing these financial statements:

(a) The director is of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;

(b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and

(c) The director acknowledges his responsibilities for:

(i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and

(ii) preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been 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 25 July 2001

JOHN OSBOURNE
Director



BLIZZARD MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2001

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1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT.

1.3 Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the director, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.5 Group accounts

Consolidated accounts were not prepared as the director is of the opinion that it would involve expenses out of proportion to their value to the members.

1.6 Royalties

Income from royalties is included on the basis of amounts received during the year. Royalties payable are those in respect of amounts which have been received.

2 Turnover

In the year to 31 January 2001 84.84% (2000 - 87.20%) of the company's turnover was to markets outside the United Kingdom.

3 Interest payable

	2001	2000
	£	£
Other interest	-	810

4 Taxation

	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (2000 - 21%)	3,869	2,264
Prior years		
U.K. corporation tax	(21)	-
	3,848	2,264

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2001

5 Fixed asset investments

	Shares in subsidiary company
	£
Cost	
At 1 February 2000 & at 31 January 2001	263

The investment represents the company's holding of 100% of the issued share capital of Blizzard Music Limited - Nevada. This company also traded under the name of Kord Music Publishing.

6 Debtors

	2001	2000
	£	£
Trade debtors	133,721	68,850

7 Creditors: amounts falling due within one year

	2001	2000
	£	£
Trade creditors	210,210	134,426
Taxation and social security	3,892	3,849
Other creditors	30,575	27,552
	244,677	165,827

8 Share capital

	2001	2000
	£	£
Authorised		
100 Ordinary shares of £ 1 each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 2001

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2000	50,249
Retained profit for the year	15,497
Balance at 31 January 2001	65,746

10 Reconciliation of movements in shareholders' funds

	2001 £	2000 £
Profit for the financial year	15,497	8,964
Opening shareholders' funds	50,350	41,386
Closing shareholders' funds	65,846	50,350

11 Related party transactions

Included in other creditors at 31 January 2001 was £7,977 (2000: £7,977) owed to Monowise Limited, a company of which J Osbourne Esq is a director.

During the year, the company paid royalties of £151,996 (2000: £107,431) to Monowise Limited.

Included in trade creditors at 31 January 2001 was £122,760 (2000: £68,742) owed to Monowise Limited, in respect of royalties due.