

Company Registration No. 1543521 (England and Wales)

BLIZZARD MUSIC LIMITED

**DIRECTOR'S REPORT
AND FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 JANUARY 2002



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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 2002

The director presents his report and the unaudited financial statements of the company for the year ended 31 January 2002.

Principal activities

The principal activity of the company was music publishing.

Director

The following director has held office since 1 February 2001:

JOHN OSBOURNE

Director's interests

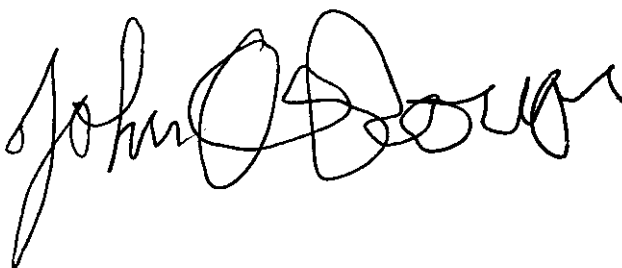
The director who served during the year and his interests in the ordinary shares of the company at the beginning and end of the year were as follows:

	Ordinary shares of £ 1 each	
	31 January 2002	1 February 2001
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
14 August 2002



BLIZZARD MUSIC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2002

	Notes	2002 £	2001 £
Turnover	2	228,588	319,855
Administrative expenses		<u>(222,876)</u>	<u>(305,566)</u>
Operating profit		5,712	14,289
Other interest receivable and similar income		<u>4,816</u>	<u>5,056</u>
Profit on ordinary activities before taxation		10,528	19,345
Tax on profit on ordinary activities	3	<u>(1,118)</u>	<u>(3,848)</u>
Profit on ordinary activities after taxation	8	<u>9,410</u>	<u>15,497</u>

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 2002

	Notes	2002 £	£	2001 £	£
Fixed assets					
Investments	4		263		263
Current assets					
Debtors	5	48,504		133,721	
Cash at bank and in hand		165,772		176,539	
		<u>214,276</u>		<u>310,260</u>	
Creditors: amounts falling due within one year	6	<u>(139,284)</u>		<u>(244,677)</u>	
Net current assets			<u>74,992</u>		<u>65,583</u>
Total assets less current liabilities			<u><u>75,255</u></u>		<u><u>65,846</u></u>
Capital and reserves					
Called up share capital	7		100		100
Profit and loss account	8		<u>75,155</u>		<u>65,746</u>
Shareholders' funds - equity interests	9		<u><u>75,255</u></u>		<u><u>65,846</u></u>

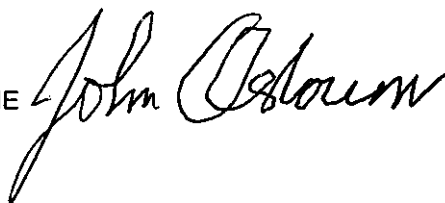
In preparing these financial statements:

- (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 14 August 2002

JOHN OSBOURNE
Director



BLIZZARD MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

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 2002 88.50% (2001 - 87.20%) of the company's turnover was to markets outside the United Kingdom.

3 Taxation

	2002	2001
	£	£
Domestic current year tax		
U.K. corporation tax	1,118	3,869
Adjustment for prior years	-	(21)
Current tax charge	<u>1,118</u>	<u>3,848</u>
 Factors affecting the tax charge for the year		
Profit on ordinary activities before taxation	<u>10,528</u>	<u>19,345</u>
 Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 10.62% (2001 : 20.00%)	1,118	3,869
Effects of:		
Adjustments to previous periods	-	(21)
Current tax charge	<u>1,118</u>	<u>3,848</u>

BLIZZARD MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

4 Fixed asset investments

	Shares in subsidiary company
Cost	£
At 1 February 2001 & at 31 January 2002	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.

5 Debtors	2002 £	2001 £
Trade debtors	48,504	133,721

6 Creditors: amounts falling due within one year	2002 £	2001 £
Trade creditors	106,639	210,210
Taxation and social security	1,492	3,892
Other creditors	31,153	30,575
	139,284	244,677

7 Share capital	2002 £	2001 £
Authorised		
100 Ordinary shares of £ 1 each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100

BLIZZARD MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2002

8 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 February 2001	65,745
Retained profit for the year	9,410
Balance at 31 January 2002	<u>75,155</u>

9 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	9,410	15,497
Opening shareholders' funds	<u>65,846</u>	<u>50,349</u>
Closing shareholders' funds	<u>75,255</u>	<u>65,846</u>

10 Related party transactions

Included in other creditors at 31 January 2002 was £8,659 (2001: £7,977) owed to Monowise Limited, a company of which J Osbourne Esq is a director.

During the year, the company paid royalties of £143,575 (2001: £107,431) to Monowise Limited.

Included in trade creditors at 31 January 2002 was £106,640 (2001: £122,760) owed to Monowise Limited, in respect of royalties due.