

Company Registration No: 1600521 (England and Wales)

MEAN FIDDLER HOLDINGS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM
1 JANUARY 2000 TO 30 SEPTEMBER 2000



MEAN FIDDLER HOLDINGS LIMITED

COMPANY INFORMATION

Directors

Mr J V Power
Mr M O'Keeffe
Mr M Power
Mr M J Benn

Secretary

Mr M O'Keeffe

Company number

1600521

Registered office

1 Warner House
Harrobian Business Village
Bessborough Road
Harrow Middlesex HA1 3EX

Auditors

MCT Partnership
Chartered Accountants
Registered Auditors
1 Warner House
Harrobian Business Village
Bessborough Road
Harrow Middlesex HA1 3EX

MEAN FIDDLER HOLDINGS LIMITED

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MEAN FIDDLER HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2000

The directors present their report and financial statements for the period ended 30 September 2000.

Principal activities

The principal activity of the Group continued to be that of night-club entertainment and production and promotion of concerts.

Review of business

The Group attained a pre-tax profit after exceptional items of £1,950,240 (Year ended 31 December 1999: £3,854,414 loss after exceptional items). Turnover achieved during the nine month period amounted to £21,756,111 (Year ended 31 December 1999: £21,051,169).

The directors are pleased to confirm that due to consolidation of major activities of the business within the Group, a healthy and satisfactory period of trading has been achieved..

Profitability achieved throughout major venues and festivals has been highly encouraging. The directors are confident that this trend will continue for the foreseeable future.

Festival income has enhanced substantially in the summer of 2000 and has procured a record-breaking contribution.

The acquisition of a prominent venue in the West End of London has further added prestige and profitability within the Mean Fiddler Group. With this move, the directors envisage further opportunities of growth and expansion.

Results and dividends

The results for the period are set out on page 5 of the financial statements.

The directors do not recommend payment of an ordinary dividend.

Directors

The following directors have held office since 1 January 2000:

Mr J V Power
Mr M O'Keefe
Mr M Power
Mr M J Benn

MEAN FIDDLER HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2000

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 September 2000	1 January 2000
Mr J V Power	599	599
Mr M O'Keeffe	-	-
Mr M Power	-	-
Mr M J Benn	-	-

Mr J V Power and Mr M O'Keeffe have an interest in 400 ordinary shares as trustees of a settlement.

Year 2000

The Group did not experience any major Year 2000 difficulties and the directors do not envisage further risks or uncertainties which may adversely affect the Group's operations.

Charitable contributions

Donations for charitable purposes amounting to £5,392 (Year ended 31 December 1999: £11,590) were made during the period.

No political donations were made.

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that MCT Partnership be reappointed as auditors of the company will be put to the Annual General Meeting.

Directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period which give a true and fair view of the state of affairs of the Group and the company as at the end of the financial period and of the profit or loss of the Group and 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.

MEAN FIDDLER HOLDINGS LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 SEPTEMBER 2000

Directors' responsibilities (cont/d)

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Group and 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 Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

By order of the board



Mr J V Power
Director

1/3/01

MEAN FIDDLER HOLDINGS LIMITED

AUDITORS' REPORT TO THE DIRECTORS OF MEAN FIDDLER HOLDINGS LIMITED

We have audited the financial statements on pages 5 to 26 which have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out on pages 11 and 12.

Respective responsibilities of directors and auditors

As described on page 3 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.

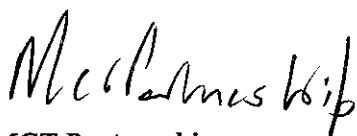
Basis of opinion

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 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 affairs of the company and the Group as at 30 September 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



MCT Partnership

Chartered Accountants
Registered Auditors

30/7/01

1 Warner House
Harrobian Business Village
Bessborough Road
Harrow Middlesex HA1 3EX

MEAN FIDDLER HOLDINGS LIMITED**GROUP PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 30 SEPTEMBER 2000**

	Notes	2000 £	Year ended 31/12/1999 £
Turnover	2	21,756,111	21,051,169
Cost of sales		<u>(15,084,330)</u>	<u>(16,229,077)</u>
Gross profit		6,671,781	4,822,092
Distribution costs		(1,204,556)	(1,472,094)
Administrative expenses		(4,973,758)	(5,826,579)
Other operating income		<u>159,615</u>	<u>114,424</u>
Operating profit/(loss)	3	653,082	(2,362,157)
Exceptional items	4	2,006,912	(968,545)
Investment income	5	(192,342)	10,414
Other interest receivable and similar income		12,444	5,639
Interest payable and similar charges	6	<u>(529,856)</u>	<u>(539,765)</u>
Profit/(loss) on ordinary activities before taxation		1,950,240	(3,854,414)
Tax on profit/(loss) on ordinary activities	7	(14,373)	(605)
Profit/(loss) on ordinary activities after taxation		<u>1,935,867</u>	<u>(3,855,019)</u>
Equity minority interest		(99,217)	-
Profit/(loss) attributable to equity shareholders	18	<u>1,836,650</u>	<u>(3,855,019)</u>

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

MEAN FIDDLER HOLDINGS LIMITED**GROUP STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE PERIOD ENDED 30 SEPTEMBER 2000**

	2000	Year ended 31/12/1999
	£	£
Profit/(loss) for the financial period	1,836,650	(3,855,019)
Unrealised surplus on revaluation of properties	272,767	105,290
Total recognised gains and losses relating to the period	<u>2,109,417</u>	<u>(3,749,729)</u>

NOTE OF HISTORICAL COST PROFITS AND LOSSES

Reported profit/(loss) on ordinary activities before taxation	1,950,240	(3,854,414)
Historical cost profit/(loss) on ordinary activities before taxation	<u>1,950,240</u>	<u>(3,854,414)</u>
Historical cost profit/(loss) for the period retained after taxation and minority interest	<u>1,836,650</u>	<u>(3,855,019)</u>

MEAN FIDDLER HOLDINGS LIMITED

GROUP BALANCE SHEET AS AT 30 SEPTEMBER 2000

	Notes	2000	As at 31/12/1999
		£	£
Fixed assets			
Intangible assets	8	2,617,427	9,237
Tangible assets	9 & 10	11,095,953	10,426,530
		13,713,380	10,435,767
Current assets			
Stocks	12	223,194	252,534
Debtors	13	1,921,158	729,292
Cash at bank and in hand		190,190	168,038
		2,334,542	1,149,864
Creditors: amounts falling due within one year	14	(7,767,777)	(7,594,540)
Net current liabilities		(5,433,235)	(6,444,676)
Total assets less current liabilities		8,280,145	3,991,091
Creditors: amounts falling due after more than one year (includes convertible loan)	15	(8,533,401)	(6,583,897)
		(253,256)	(2,592,806)
Capital and reserves			
Called up share capital	17	1,000	1,000
Revaluation reserve	18	4,259,597	3,986,830
Profit and loss account	18	(4,743,986)	(6,580,636)
Shareholders' funds – equity interests	19	(483,389)	(2,592,806)
Equity minority interest		230,133	-
		(253,256)	(2,592,806)

The financial statements were approved by the Board on 1/3/01


Mr J V Power
Director

MEAN FIDDLER HOLDINGS LIMITED

COMPANY BALANCE SHEET AS AT 30 SEPTEMBER 2000

	Notes	2000		As at 31/12/1999	
		£	£	£	£
Fixed assets					
Intangible assets	8		7,496		9,237
Tangible assets	9 & 10		10,244,407		10,426,530
Investments	11		1,117		1,050
			<u>10,253,020</u>		<u>10,436,817</u>
Current assets					
Debtors	13	2,748,492		741,559	
Cash at bank and in hand		693		2,684	
		<u>2,749,185</u>		<u>744,243</u>	
Creditors: amounts falling due within one year	14	(5,448,249)		(5,986,713)	
Net current liabilities			<u>(2,699,064)</u>		<u>(5,242,470)</u>
Total assets less current liabilities			7,553,956		5,194,347
Creditors: amounts falling due after more than one year	15		(6,033,436)		(6,583,897)
			<u>1,520,520</u>		<u>(1,389,550)</u>
Capital and reserves					
Called up share capital	17		1,000		1,000
Revaluation reserve	18		3,986,830		3,986,830
Profit and loss account	18		(2,467,310)		(5,377,380)
Shareholders' funds – equity interests	19		<u>1,520,520</u>		<u>(1,389,550)</u>

The financial statements were approved by the Board on 1/3/01


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Mr J V Power
Director

MEAN FIDDLER HOLDINGS LIMITED

GROUP CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 SEPTEMBER 2000

	2000		Year ended 31/12/1999	
	£	£	£	£
Net cash outflow from operating activities		(332,813)		(470,568)
Returns on investments and servicing of finance				
Interest received	12,444		5,639	
Interest paid	(406,565)		(447,768)	
Interest element of finance lease rentals	(43,180)		(66,057)	
Net cash outflow for returns on investments and servicing of finance		(437,301)		(508,186)
Taxation		(605)		(86)
Capital expenditure and financial investment				
Payments to acquire intangible assets	(2,534,596)		-	
Payments to acquire tangible assets	(758,220)		(933,781)	
Receipts from sales of tangible assets	190,000		2,347,221	
Net cash (outflow)/inflow for capital expenditure		(3,102,816)		1,413,440
Exceptional items and cashflows				
Realisation of intellectual property rights	2,000,000		-	
Net cash inflow for acquisitions and disposals		2,000,000		-
Net cash (outflow)/inflow before management of liquid resources and financing		(1,873,535)		434,600
Financing				
New debenture loan	2,499,965		-	
Other new long term loans	-		6,124,958	
Repayment of other long and short term loans	(490,427)		(6,201,184)	
Capital element of finance lease contracts	(105,004)		(139,190)	
Net cash inflow/(outflow) from financing		1,904,534		(215,416)
Increase in cash in the period		30,999		219,184

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2000

1 Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2000 £	Year ended 31/12/1999 £
Operating profit/(loss)	653,082	(2,362,157)
Depreciation of tangible assets	360,659	655,402
Amortisation of intangible assets	1,741	2,321
Profit on disposal of tangible assets	-	(57,355)
Amortisation of profit on sale and leaseback	(66,654)	(71,143)
Decrease in stocks	29,340	10,733
(Increase)/decrease in debtors	(1,426,485)	596,514
Increase in creditors	115,504	755,117
Net cash outflow from operating activities	<u>(332,813)</u>	<u>(470,568)</u>

2 Analysis of net debt

	1 January 2000 £	Cashflow £	Other Non-cash Changes £	30 September 2000 £
Net cash:				
Cash at bank and in hand	168,038	22,152	-	190,190
Bank overdrafts	(103,672)	8,847	-	(94,825)
	<u>64,366</u>	<u>30,999</u>	<u>-</u>	<u>95,365</u>
Debt:				
Finance leases	(200,562)	105,004	-	(95,558)
Debts falling due within one year	(390,763)	(12,155)	-	(402,918)
Debts falling due after one year	(6,502,301)	(1,997,383)	-	(8,499,684)
	<u>(7,093,626)</u>	<u>(1,904,534)</u>	<u>-</u>	<u>(8,998,160)</u>
Net debt	<u>(7,029,260)</u>	<u>(1,873,535)</u>	<u>-</u>	<u>(8,902,795)</u>

3 Reconciliation of net cash flow to movement in net debt

	2000 £	Year ended 31/12/1999 £
Increase in cash in the period	30,999	219,184
Cash (outflow)/inflow from increase in debt and lease financing	(1,904,534)	215,416
New finance lease	-	(99,641)
Movement in net debt in the period	<u>(1,873,535)</u>	<u>334,959</u>
Opening net debt	<u>(7,029,260)</u>	<u>(7,364,219)</u>
Closing net debt	<u>(8,902,795)</u>	<u>(7,029,260)</u>

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

1. Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention as modified to include the revaluation of properties and in accordance with the Companies Act 1985 and applicable accounting and financial reporting standards.

1.2 Basis of consolidation

The Group financial statements incorporate the financial statements of the company and its subsidiaries together with the Group's share of the net assets and results of associated companies. Accounting policies for subsidiaries follow those of the company.

1.3 Turnover

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

1.4 Goodwill

Goodwill represents the excess of the fair value of the consideration and associated acquisition costs in respect of investments in subsidiary undertakings or businesses over the fair value of the separable net assets acquired.

Goodwill relating to businesses acquired is capitalised as an intangible asset and amortised over its useful economic life or over a maximum of 20 years.

1.5 Tangible fixed assets and depreciation

Tangible fixed assets other than freehold land and buildings are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual value of each asset over its expected useful life, as follows:

Land and buildings – short leasehold	Straight line over the life of the lease
Computer equipment	33.3% Reducing balance
Fixtures, fittings and equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

Leasehold properties are carried at open market value on an existing use and fully operational basis. Leases which have an unexpired term of less than 50 years are depreciated over the remaining term of the lease.

Formal valuations of all properties are undertaken on a rolling basis at least every five years and the resultant valuation is included in the balance sheet unless the surplus or deficit is immaterial.

The directors review the valuations annually and if, in their opinion, there is any impairment in value, it is charged either to the revaluation reserve or profit and loss account as appropriate.

The directors consider that depreciation of freehold and long leasehold properties is immaterial given their significant useful lives and high residual value. Accordingly, no depreciation is provided on such properties and on freehold land.

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

1. Accounting policies (cont/d)

1.5 Tangible fixed assets and depreciation (cont/d)

Investment properties are included in the balance sheet at their open market value. Depreciation is provided only on those investment properties which are leasehold and where the expired lease term is less than 20 years.

Although this accounting policy is in accordance with the applicable accounting standard, SSAP 19, Accounting for investment properties, it is a departure from the general requirement of the Companies Act 1985 for all tangible assets to be depreciated. In the opinion of the directors, compliance with the standard is necessary for the financial statements to give a true and fair view. Depreciation or amortisation is only one of many factors reflected in the annual valuation and the amount of this which might otherwise have been charged cannot be separately identified or quantified.

1.6 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.7 Investments

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

1.8 Stock

Stock is valued at the lower of cost and net realisable value.

1.9 Pensions

The pension costs charged in the financial statements represent the contributions payable by the Group during the period.

1.10 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 directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2 Turnover

The total turnover of the Group for the period has been derived from its principal activity wholly undertaken in the United Kingdom.

MEAN FIDDLER HOLDINGS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2000****3 Operating profit/(loss)**

	2000 £	Year ended 31/12/1999 £
Operating profit/(loss) is stated after charging:		
Amortisation of intangible assets	1,741	2,321
Depreciation of tangible assets	360,659	655,402
Operating lease rentals:		
- other assets	929,846	833,876
Auditors' remuneration	83,000	75,535
Remuneration of auditors for non-audit work	62,819	13,735

4 Exceptional items

	2000 £	Year ended 31/12/1999 £
Profit on disposal of fixed assets	42,220	-
Impairment losses	-	(442,777)
Losses on disposal of investments	(35,308)	(525,768)
Realisation of intellectual property rights	2,000,000	-
	<u>2,006,912</u>	<u>(968,545)</u>

5 Investment income

	2000 £	Year ended 31/12/1999 £
Share of net results from participating interests	<u>(192,342)</u>	<u>10,414</u>

6 Interest payable

	2000 £	Year ended 31/12/1999 £
On bank loans and overdrafts	11,846	38,888
On other loans wholly repayable within 5 years	28,318	104,454
On loans repayable after 5 years	437,242	325,605
Lease finance charges and hire purchase interest	43,180	66,057
Other interest	9,270	4,761
	<u>529,856</u>	<u>539,765</u>

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

7 Taxation

	2000 £	Year ended 31/12/1999 £
UK current year taxation		
UK corporation tax at 20%	<u>14,373</u>	<u>605</u>

As it is not probable that an actual liability will crystallise for deferred taxation, no provision is considered necessary for the Group and the company.

8 Intangible fixed assets

	Group Goodwill £	Company Goodwill £
GROUP AND COMPANY		
Cost		
At 1 January 2000	18,146	18,146
Addition	2,609,931	-
At 30 September 2000	<u>2,628,077</u>	<u>18,146</u>
Amortisation		
At 1 January 2000	8,909	8,909
Charge for period	1,741	1,741
At 30 September 2000	<u>10,650</u>	<u>10,650</u>
Net book value		
At 30 September 2000	<u>2,617,427</u>	<u>7,496</u>
At 31 December 1999	<u>9,237</u>	<u>9,237</u>

MEAN FIDDLER HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2000**

9 Tangible fixed assets						
		Land and buildings freehold	Land and buildings leasehold - long	Land and buildings leasehold - short	Computer equipment	Fixtures, fittings and equipment
	£	£	£	£	£	£
GROUP						
Cost or valuation						
At 1 January 2000	2,551,418	1,846,873	3,997,410		481,437	2,375,142
Additions	160,440	2,093	105,559		26,904	463,224
Revaluation	-	-	419,642		-	-
Disposals	-	-	(111,116)		-	(114,740)
At 30 September 2000	2,711,858	1,848,966	4,411,495		508,341	2,723,626
						11,252,280
						758,220
						419,642
						(225,856)
						12,204,286
Depreciation						
At 1 January 2000	-	883	290,133		341,729	1,467,321
On disposals	-	-	-		-	(78,076)
Charge for the period	-	-	120,232		38,438	201,989
At 30 September 2000	-	883	410,365		380,167	1,591,234
						2,382,649
Net book value						
At 30 September 2000	2,711,858	1,848,083	4,001,130		128,174	1,132,392
						9,821,637
At 31 December 1999	2,551,418	1,845,990	3,707,277		139,708	907,821
						9,152,214

MEAN FIDDLER HOLDINGS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30 SEPTEMBER 2000**

9 Tangible fixed assets

	Land and buildings freehold	Land and buildings leasehold - long	Land and buildings leasehold - short	Computer equipment	Fixtures, fittings and equipment	Total
	£	£	£	£	£	£
COMPANY						
Cost or valuation						
At 1 January 2000	2,551,418	1,846,873	3,997,410	481,437	2,375,142	11,252,280
Additions	160,440	2,093	19,643	10,059	113,224	305,459
Disposals	-	-	(111,116)	-	(114,740)	(225,856)
At 30 September 2000	2,711,858	1,848,966	3,905,937	491,496	2,373,626	11,331,883
Depreciation						
At 1 January 2000	-	883	290,133	341,729	1,467,321	2,100,066
On disposals	-	-	-	-	(78,076)	(78,076)
Charge for the period	-	-	120,232	37,269	182,301	339,802
At 30 September 2000	-	883	410,365	378,998	1,571,546	2,361,792
Net book value						
At 30 September 2000	2,711,858	1,848,083	3,495,572	112,498	802,080	8,970,091
At 31 December 1999	2,551,418	1,845,990	3,707,277	139,708	907,821	9,152,214

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

9 Tangible fixed assets (cont/d)

The properties have either been valued by the directors or by chartered surveyors. The carrying amounts are considered to fairly represent open market value on an existing use basis as at the period end. In accordance with the Group's accounting policy, no depreciation is provided on freehold buildings. This contravenes the provisions of the Companies Act 1985 and Financial Reporting Standard No. 15. If a provision for depreciation was made, based on a useful economic life of 50 years, the charge would have been £28,474 (Year ended 31 December 1999: £35,720).

Excluding the effects of revaluation, freehold and leasehold properties if stated at cost would be:

	Group			
	Freehold £	Leasehold (Long) £	Leasehold (Short) £	Total £
Cost				
Historical at 30 September 2000	<u>2,272,789</u>	<u>1,360,094</u>	<u>1,578,809</u>	<u>5,211,692</u>
Depreciation based on cost				
At 30 September 2000	<u>-</u>	<u>-</u>	<u>356,294</u>	<u>356,294</u>
Net book value				
At 30 September 2000	2,272,789	1,360,094	1,222,515	4,855,398

	Company			
	Freehold £	Leasehold (Long) £	Leasehold (Short) £	Total £
Cost				
Historical at 30 September 2000	<u>2,272,789</u>	<u>1,360,094</u>	<u>1,492,893</u>	<u>5,125,776</u>
Depreciation based on cost				
At 30 September 2000	<u>-</u>	<u>-</u>	<u>356,294</u>	<u>356,294</u>
Net book value				
At 30 September 2000	2,272,789	1,360,094	1,136,599	4,769,482

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

9 Tangible fixed assets (cont/d)

Included above are assets held under finance leases or hire purchase contracts as follows:

	Computer equipment £	Fixtures, fittings and equipment £	Total £
Net book values			
At 30 September 2000	57,395	135,487	192,882
At 31 December 1999	76,501	166,753	243,254
Depreciation charge for the period			
30 September 2000	19,106	31,266	50,372
31 December 1999	38,250	55,585	93,835

10 Tangible fixed assets

	Investment Properties £
GROUP AND COMPANY	
Cost or valuation	
At 1 January 2000 and at 30 September 2000	1,274,316

The carrying values of the investment properties are considered by the directors to fairly represent open market value on an existing use basis as at the period end. Investment properties are accounted for in accordance with SSAP 19. No depreciation is provided in respect of such properties. This accounting policy is, in the directors' opinion, necessary for the financial statements to give a true and fair view. Depreciation is only one of the many factors reflected in the annual valuation and the amount which might otherwise have been shown cannot be separately identified or quantified.

Excluding the effects of revaluation, investment properties if stated at cost would be £1,356,043.

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

11 Fixed asset investments

	Shares in participating interests £	Shares in subsidiary undertakings £	Total £
COMPANY			
Cost or valuation			
At 1 January 2000	150	900	1,050
Additions	2	65	67
At 30 September 2000	<u>152</u>	<u>965</u>	<u>1,117</u>
At 31 December 1999	<u>150</u>	<u>900</u>	<u>1,050</u>

In the opinion of the directors, the aggregate value of the company's investment in participating interests and subsidiary undertakings is not less than the amount included in the balance sheet.

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

11 Fixed asset investments (cont/d)

Holdings of more than 20%

The company holds more than 20% of the share capital of the following companies:

Company	Country of registration or incorporation	Shares held	
		Class	%
Subsidiary undertakings			
Astoria Venues Limited	England and Wales	Ordinary	65
Elfcrown Limited (indirect)	England and Wales	Ordinary	65
Isisplan Limited	England and Wales	Ordinary	100
Mean Fiddler Concerts Limited	England and Wales	Ordinary	100
Mean Fiddler Events Limited	England and Wales	Ordinary	100
Mean Fiddler Live Limited	England and Wales	Ordinary	100
MF Clubs & Live Limited	England and Wales	Ordinary	100
MF Management Limited	England and Wales	Ordinary	100
Rangepost Limited (indirect)	England and Wales	Ordinary	65
Reading Festival Limited	England and Wales	Ordinary	100
Sidezone Limited (indirect)	England and Wales	Ordinary	65
Subterania Limited	England and Wales	Ordinary	100
The Forum Club Limited	England and Wales	Ordinary	100
Participating interests			
Homelands Festival Limited	England and Wales	Ordinary	50
On The Green Limited	Scotland	Ordinary	50
Too Tribes Limited	England and Wales	Ordinary	50
Windfield Promotions Limited	England and Wales	Ordinary	50

The companies are engaged in the provision of night-club entertainment and the promotion and production of concerts.

The shares in Astoria Venues Limited are held by Mr J V Power as a nominee for and on behalf of Mean Fiddler Holdings Limited.

12 Stocks

	Group		Company	
	As at 30/09/2000 £	As at 31/12/1999 £	As at 30/09/2000 £	As at 31/12/1999 £
Finished goods and goods for resale	223,194	252,534	-	-

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

13 Debtors

	Group		Company	
	As at 30/09/2000 £	As at 31/12/1999 £	As at 30/09/2000 £	As at 31/12/1999 £
Trade debtors	1,218,256	405,743	626,244	263,981
Amounts owed by subsidiary undertakings	-	-	1,815,268	430,218
Other debtors	324,625	25,083	249,208	25,083
Prepayments and accrued income	378,277	298,466	57,772	22,277
	<u>1,921,158</u>	<u>729,292</u>	<u>2,748,492</u>	<u>741,559</u>

Amounts falling due after more than one year and included in the debtors above are:

	Group		Company	
	As at 30/09/2000 £	As at 31/12/1999 £	As at 30/09/2000 £	As at 31/12/1999 £
Amounts owed by subsidiary undertakings	-	-	-	323,229

14 Creditors: amounts falling due within one year

	Group		Company	
	As at 30/09/2000 £	As at 31/12/1999 £	As at 30/09/2000 £	As at 31/12/1999 £
Bank overdrafts	94,825	103,672	48,331	105,356
Net obligations under finance lease and hire purchase contracts	61,841	118,966	61,841	118,966
Trade creditors	4,639,809	4,932,027	1,111,389	2,105,303
Amounts owed to subsidiary undertakings	-	-	2,390,128	1,911,278
Amounts owed to participating interests	435,302	712,851	436,520	676,117
Corporation tax	14,373	605	-	-
Other taxes and social security costs	1,162,715	870,188	715,560	358,828
Directors' loan accounts	1,119	82,219	1,119	82,219
Other creditors	776,622	391,818	404,743	427,497
Accruals and deferred income	581,171	382,194	278,618	201,149
	<u>7,767,777</u>	<u>7,594,540</u>	<u>5,448,249</u>	<u>5,986,713</u>

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

15 Creditors: amounts falling due after more than one year

	Group		Company	
	As at 30/09/2000 £	As at 31/12/1999 £	As at 30/09/2000 £	As at 31/12/1999 £
Debenture loan – convertible	1,000,000	990,082	1,000,000	990,082
Debenture loan – non-convertible	2,499,965	-	-	-
Other loans	4,999,719	5,512,219	4,999,719	5,512,219
Net obligations under finance leases and hire purchase contracts	33,717	81,596	33,717	81,596
	<u>8,533,401</u>	<u>6,583,897</u>	<u>6,033,436</u>	<u>6,583,897</u>

Analysis of loans

	Group		Company	
	As at 30/09/2000 £	As at 31/12/1999 £	As at 30/09/2000 £	As at 31/12/1999 £
Not wholly repayable within five years by instalments:				
Other loans	5,243,311	5,750,928	5,243,311	5,750,928
Wholly repayable within five years	3,659,291	1,142,136	1,159,326	1,142,136
	<u>8,902,602</u>	<u>6,893,064</u>	<u>6,402,637</u>	<u>6,893,064</u>
Included in current liabilities	(402,918)	(390,763)	(402,918)	(390,763)
	<u>8,499,684</u>	<u>6,502,301</u>	<u>5,999,719</u>	<u>6,502,301</u>

Loan maturity analysis

Between one and two years	420,564	397,201	420,564	397,201
Between two and five years	5,035,906	2,441,730	2,535,940	2,441,730
In five years or more	3,043,214	3,663,370	3,043,215	3,663,370

The loans are secured on certain fixed assets of the Group with interest being charged at prevailing market rates.

The convertible debt is convertible into ordinary shares to the equivalent of 10% of the issued share capital of the company from 31 December 1999, at the option of the holder. If the debt is not converted into shares, it will be repayable at par.

Debenture loan stock bears interest at 2% above the base rate of Barclays Bank PLC.

Net obligations under finance leases and hire purchase contracts	As at 30/09/2000 £	As at 31/12/1999 £
Repayable within one year	84,396	166,870
Repayable between one and five years	40,855	100,431
	<u>125,251</u>	<u>267,301</u>
Finance charges and interest allocated to future accounting periods	(29,693)	(66,739)
	<u>95,558</u>	<u>200,562</u>
Included in liabilities falling due within one year	(61,841)	(118,966)
	<u>33,717</u>	<u>81,596</u>

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

16 Provisions for liabilities and charges

As it is not probable that an actual liability will crystallise for deferred taxation, no provision is considered necessary for the Group and the company.

17 Share capital

	As at 30/09/2000 £	As at 31/12/1999 £
Authorised		
1,000,000 ordinary shares of £1 each	<u>1,000,000</u>	<u>1,000,000</u>
Allotted, called up and fully paid		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

18 Statement of movements on reserves

	Group		Company	
	Revaluation Reserve £	Profit and loss account £	Revaluation Reserve £	Profit and loss account £
Balance at 1 January 2000	3,986,830	(6,580,636)	3,986,830	(5,377,380)
Retained profit for the period	-	1,836,650	-	2,910,070
Revaluation during the period	272,767	-	-	-
Balance at 30 September 2000	<u>4,259,597</u>	<u>(4,743,986)</u>	<u>3,986,830</u>	<u>(2,467,310)</u>

The revaluation reserve as at 30 September 2000 includes a deficit of £81,727 (As at 31 December 1999: £81,727) in respect of investment revaluation reserve.

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

19 Reconciliation of movements in shareholders' funds

	Group		Company	
	As at 30/09/2000 £	As at 31/12/1999 £	As at 30/09/2000 £	As at 31/12/1999 £
Profit/(loss) for the financial period	1,836,650	(3,855,019)	2,910,070	(4,185,194)
Other recognised gains and losses	272,767	105,290	-	105,290
Net addition to/(depletion in) shareholders' funds	2,109,417	(3,749,729)	2,910,070	(4,079,904)
Opening shareholders' funds	(2,592,806)	1,156,923	(1,389,550)	2,690,354
Closing shareholders' funds	(483,389)	(2,592,806)	1,520,520	(1,389,550)

20 Profit of the parent company

As permitted by Section 230 of the Companies Act 1985, the profit and loss account of the parent company is not presented as part of these financial statements. The parent company's profit for the financial period amounted to £2,910,070 (Year ended 31 December 1999: £4,185,194 loss).

21 Contingent liabilities

A contingent liability exists in respect of a local authority grant that was procured during the year ended 31 December 1997 for redevelopment of certain properties. In the event of disposal of the properties prior to expiry of terms stipulated by the local authority, the potential clawback is expected to be in the region of £100,000.

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

22 Financial commitments

At 30 September 2000 the Group had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	As at 30/09/2000 £	As at 31/12/1999 £	As at 30/09/2000 £	As at 31/12/1999 £
Expiry date:				
Within one year	18,200	18,200	89,822	111,067
Between two and five years	33,000	84,000	108,808	83,792
In over five years	1,345,760	745,760	-	-
	<u>1,396,960</u>	<u>847,960</u>	<u>198,630</u>	<u>194,859</u>

At 30 September 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings		Other	
	As at 30/09/2000 £	As at 31/12/1999 £	As at 30/09/2000 £	As at 31/12/1999 £
Expiry date:				
Between two and five years	33,000	63,000	-	-
In over five years	430,500	426,000	-	-
	<u>463,500</u>	<u>489,000</u>	<u>-</u>	<u>-</u>

23 Directors' emoluments

	2000 £	Year ended 31/12/1999 £
Emoluments for qualifying services	440,676	290,232
Company pension contributions to money purchase schemes	62,670	84,116
	<u>503,346</u>	<u>374,348</u>
Emoluments disclosed above include the following amounts paid to the highest paid director:		
Emoluments for qualifying services	332,251	189,346
Company pension contributions to money purchase schemes	59,337	79,116

MEAN FIDDLER HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 SEPTEMBER 2000

24 Employees

Number of employees

The average monthly number of employees (including directors) during the period was:

	2000 No:	Year ended 31/12/1999 No:
Management, promotion and administration	83	68
Bar and catering	277	224
	<u>360</u>	<u>292</u>

Employment costs

	2000 £	Year ended 31/12/1999 £
Wages and salaries	2,742,096	3,839,321
Social security costs	219,430	396,646
Other pension costs	111,025	131,988
	<u>3,072,551</u>	<u>4,367,955</u>

25 Pension costs

The Group operates defined contribution pension schemes for two directors and certain staff. The assets of the schemes are held separately from those of the Group in independently administered funds. The pension cost charge represents contributions payable by the Group to the funds and amounted to £111,025 (Year ended 31 December 1999: £131,988).

26 Control

The ultimate controlling party is Mr J V Power, a director and the majority shareholder in the parent company.

27 Related party transactions

The following amounts were outstanding at the balance sheet date:

Related party	Relationship	£
Amounts due to:		
Mean Fiddler Pension Scheme	Group Scheme	159,327
Mr J V Power	Director	1,119
Mr M J Benn	Director	100,971
Amounts due from:		
Borwork Limited	Controlled by Mr J V Power	242,289