Company Registration No. 01600521(England and Wales)

MEAN FIDDLER HOLDINGS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2003

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MEAN FIDDLER HOLDINGS LIMITED

COMPANY INFORMATION

Directors	J V Power M J Benn
Secretary	J V Power
Company number	01600521
Registered office	25 Harley Street London W1G 9BR
Auditors	Gerald Edelman 25 Harley Street London W1G 9BR

MEAN FIDDLER HOLDINGS LIMITED

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MEAN FIDDLER HOLDINGS LIMITED

DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2003

The directors present their report and financial statements for the year ended 31 December 2003.

Principal activities and review of the business
The principal activity of the company continued to be that of night club entertainment and production and promotion of concerts.

Results and dividends
The results for the year are set out on page 4.

The directors do not recommend payment of an ordinary dividend.

Directors
The following directors have held office since 1 January 2003:

J V Power
M J Benn

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

	Ordinary shares of 1p each	
	31 December 2003	1 January 2003
J V Power	-	-
M J Benn	-	-

J V Power and M J Benn are both directors of the ultimate parent company, Mean Fiddler Music Group Plc, and their interests in the shares of that company are disclosed in its own financial statements.

Charitable donations	2003	2002
	£	£
During the year the company made the following payments:		
Charitable donations	11,253	-

Employee involvement
The company's policy is to consult and discuss with employees, through staff meetings, matters likely to affect employees' interests. Information on matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

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

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

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 affairs of the company and of the profit or loss of 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.

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.

On behalf of the board

J V Power
Director
10 May 2004

MEAN FIDDLER HOLDINGS LIMITED

INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF MEAN FIDDLER HOLDINGS LIMITED

We have audited the financial statements of Mean Fiddler Holdings Limited on pages 4 to 16 for the year ended 31 December 2003. These financial statements have been prepared under the historical cost convention (as modified by the revaluation of certain fixed assets) and the accounting policies set out therein.

This report is made solely to the company's members, 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 members those matters we are required to state to them in an auditor's 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 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.

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 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Gerald Edelman

Chartered Accountants
Registered Auditor

10 May 2004

25 Harley Street
London
W1G 9BR

MEAN FIDDLER HOLDINGS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2003

	Notes	2003 £	2002 £
Turnover	2	26,225,131	11,153,247
Cost of sales		(17,313,006)	(6,995,043)
Gross profit		8,912,125	4,158,204
Distribution costs		(1,774,927)	(1,426,226)
Administrative expenses		(6,922,142)	(6,445,947)
Other operating income		38,692	13,930
Operating profit/(loss)	3	253,748	(3,700,039)
Damages received following the settlement of litigation		-	162,500
Profit/(loss) on ordinary activities before interest		253,748	(3,537,539)
Other interest receivable and similar income		22,873	-
Interest payable and similar charges	4	(240,158)	(225,718)
Profit/(loss) on ordinary activities before taxation		36,463	(3,763,257)
Tax on profit/(loss) on ordinary activities	5	(488,380)	553,551
Loss on ordinary activities after taxation	15	(451,917)	(3,209,706)

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

MEAN FIDDLER HOLDINGS LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 DECEMBER 2003

	2003 £	2002 £
Loss for the financial year	(451,917)	(3,209,706)
Unrealised deficit on revaluation of properties	(1,190,141)	(353,713)
Total recognised gains and losses relating to the year	(1,642,058)	(3,563,419)
Prior year adjustment	-	892,558
Total gains and losses recognised since last financial statements	(1,642,058)	(2,670,861)

MEAN FIDDLER HOLDINGS LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2003

	Notes	2003 £	2003 £	2002 £	2002 £
Fixed assets					
Intangible assets	6		1		-
Tangible assets	7		2,881,502		4,566,651
Investments	8		3,002,945		339,792
			5,884,448		4,906,443
Current assets					
Stocks	9	151,729		206,182	
Debtors	10	16,783,710		16,017,474	
Cash at bank and in hand		752,809		19,711	
		17,688,248		16,243,367	
Creditors: amounts falling due within one year	11	(22,629,241)		(17,808,289)	
Net current liabilities			(4,940,993)		(1,564,922)
Total assets less current liabilities			943,455		3,341,521
Creditors: amounts falling due after more than one year	12		-		(1,946,150)
			943,455		1,395,371
Capital and reserves					
Called up share capital	14		1,297		1,297
Share premium account	15		4,815,208		4,815,208
Revaluation reserve	15		1,458,120		2,648,260
Profit and loss account	15		(5,331,170)		(6,069,394)
Shareholders' funds - equity interests	16		943,455		1,395,371

The financial statements were approved by the Board on 10 May 2004

J V Power
Director

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention modified to include the revaluation of freehold land and buildings.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from the requirement to produce a cash flow statement on the grounds that it is a subsidiary undertaking where 90 percent or more of the voting rights are controlled within the group.

1.2 Turnover

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

1.3 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets 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 Leasehold	over the term of lease
Computer equipment	25% Reducing balance basis
Fixtures, fittings & equipment	25% Reducing balance basis
Motor vehicles	25% Reducing balance basis

1.5 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.

1.6 Investments

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

1.7 Stock

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

1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

1 Accounting policies **(continued)**

1.9 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Recognition of deferred tax asset is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences. The deferred tax balance has not been discounted.

1.10 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

1.11 Group accounts

The financial statements present information about the company as an individual undertaking and not about its group. The company has not prepared group accounts as it is exempt from the requirement to do so by section 228 of the Companies Act 1985 as it is a subsidiary undertaking of Mean Fiddler Music Group Plc, a company incorporated in England and Wales, and is included in the consolidated accounts of that company.

2 Turnover

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

3 Operating profit/(loss)

	2003	2002
	£	£
Operating profit/(loss) is stated after charging:		
Depreciation of tangible assets	508,171	377,627
Loss on foreign exchange transactions	3,260	3,391
Operating lease rentals		
- Plant and machinery	174,758	211,517
Auditors' remuneration	35,000	35,000

4 Interest payable

	2003	2002
	£	£
On bank loans and overdrafts	178,909	148,217
Hire purchase interest	-	14,077
Other interest	61,249	63,424
	240,158	225,718

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

5 Taxation	2003 £	2002 £
Domestic current year tax		
U.K. corporation tax	-	-
Deferred tax		
Deferred tax charge/(credit) current year	488,380	(553,551)
	488,380	(553,551)

There is no charge for UK Corporation tax due to tax losses brought forward, subject to agreement with Inland Revenue. The company has estimated losses of £6,679,803 (2002:£3,706,985) to carry forward against future taxable profits.

6 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2003	-
Transferred from subsidiary undertaking	1
At 31 December 2003	1

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

7 **Tangible fixed assets**

	Land and buildings Leasehold	Computer equipment	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost or valuation					
At 1 January 2003	4,571,490	472,462	1,546,017	21,891	6,611,860
Transferred from subsdiary undertaking	3,315,267	9,495	1,146,414	-	4,471,176
Additions	117,235	27,752	111,236	-	256,223
Disposals	(3,442,004)	(3,283)	(1,757,573)	-	(5,202,860)
At 31 December 2003	4,561,988	506,426	1,046,094	21,891	6,136,399
Depreciation					
At 1 January 2003	795,394	193,689	1,044,694	11,432	2,045,209
Transferred from subsdiary undertaking	2,789,475	6,863	952,467	-	3,748,805
On disposals	(1,490,568)	(1,389)	(1,555,331)	-	(3,047,288)
Charge for the year	156,244	65,402	283,410	3,115	508,171
At 31 December 2003	2,250,545	264,565	725,240	14,547	3,254,897
Net book value					
At 31 December 2003	2,311,443	241,861	320,854	7,344	2,881,502
At 31 December 2002	3,776,096	278,773	501,323	10,459	4,566,651

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

8 Fixed asset investments

	Shares in participating interests	Shares in group undertakings	Total
	£	£	£
Cost or valuation			
At 1 January 2003	338,772	1,016,938	1,355,710
Transfer from subsidiary undertaking	-	2,636,794	2,636,794
Additions	26,360	-	26,360
At 31 December 2003	365,132	3,653,732	4,018,864
Provisions for diminution in value			
At 1 January 2003 & at 31 December 2003	50	1,015,869	1,015,919
Net book value			
At 31 December 2003	365,082	2,637,863	3,002,945
At 31 December 2002	338,722	1,070	339,792

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 shares	100
MF Clubs and Live Limited	England and Wales	Ordinary shares	100
MF Management Limited	England and Wales	Ordinary shares	100
Reading Festival Limited	England and Wales	Ordinary shares	100
Isisplan Limited	England and Wales	Ordinary shares	100
Mean Fiddler Events Limited	England and Wales	Ordinary shares	100
Mean Fiddler Concerts Limited (D)	England and Wales	Ordinary shares	100
Subterania Limited (D)	England and Wales	Ordinary shares	100
The Forum Club Limited (D)	England and Wales	Ordinary shares	100
Meanfiddler.com Limited (D)	England and Wales	Ordinary shares	100
Sidezone Limited (D)	England and Wales	Ordinary shares	100
Rangepost Limited (D)	England and Wales	Ordinary shares	100
Homeland Festival Limited	England and Wales	Ordinary shares	55
Windfield Promotions Limited	England and Wales	Ordinary shares	50
Adventure Sports Events Limited	England and Wales	Ordinary shares	50
Manto Soho Limited	England and Wales	Ordinary shares	100
Union-Undeb Limited	England and Wales	Ordinary shares	60
Mean Fiddler Leisure Group Limited (D)	England and Wales	Ordinary shares	100
Mean Fiddler Live Limited (D)	England and Wales	Ordinary shares	100
Finlaw 279 Limited	England and Wales	Ordinary shares	100

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

8 Fixed asset investments **(continued)**

Participating interests			
Finlaw 271 Limited (D)	England and Wales	Ordinary shares	50
Homelands Concert Limited (D)	England and Wales	Ordinary shares	50
Ibiza Live Limited	England and Wales	Ordinary shares	50

The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves	Profit for the year
Astoria Venues Limited	(2,151,525)	-
MF Clubs and Live Limited	(3,697,914)	-
MF Management Limited	872,916	1,245,010
Reading Festival Limited	1,667,968	(215,328)
Isisplan Limited	(328,760)	-
Mean Fiddler Events Limited	(1,170,977)	-
Mean Fiddler Concerts Limited (D)	(17,918)	-
Subterania Limited (D)	100	-
The Forum Club Limited (D)	100	-
Meanfiddler.com Limited (D)	228	-
Sidezone Limited (D)	270	-
Rangepost Limited (D)	(46,195)	-
Homeland Festival Limited	(7,119)	79,079
Windfield Promotions Limited	(461,069)	46,153
Adventure Sports Events Limited	(251,208)	(144,756)
Manto Soho Limited	123,787	92,055
Union-Undeb LImited	(354,386)	(340,628)
Mean Fiddler Leisure Group Limited (D)	100	-
Mean Fiddler Live Limited (D)	27,841	-
Finlaw 279 Limited	(3,168,768)	(1,294,300)
Finlaw 271 Limited (D)	100	-
Homelands Concert Limited (D)	100	-
Ibiza Live Limited	100	-

All the group entities are involved with the production and promotion of live music and concerts, radio stations and broadcasting and live music venues, except where indicated as dormant (D).

9 Stocks	**2003**	**2002**
	£	**£**
Finished goods and goods for resale	151,729	206,182

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

10 Debtors

	2003 £	2002 £
Trade debtors	1,002,998	264,976
Amounts owed by group undertakings	11,182,421	12,449,529
Amounts owed by participating interests	-	78,236
Other debtors	1,776,496	1,419,479
Prepayments and accrued income	1,552,632	359,145
Deferred tax asset	1,269,162	1,446,109
	16,783,710	16,017,474

Deferred tax

	2003 £
Balance at 1 January 2003	1,446,109
Transferred from subsidiary undertakings	311,433
Profit and loss account	(488,380)
Balance at 31 December 2003	1,269,163

	2003 £	2002 £
Tax losses available	1,269,163	1,446,109

11 Creditors: amounts falling due within one year

	2003 £	2002 £
Bank loans and overdrafts	213,287	1,487,695
Net obligations under hire purchase contracts	-	18,735
Trade creditors	2,571,842	1,931,377
Amounts owed to group undertakings	10,688,771	9,262,240
Taxes and social security costs	3,685,297	2,633,709
Directors' current accounts	227,436	477,623
Other creditors	1,618,490	1,066,648
Accruals and deferred income	3,624,118	930,262
	22,629,241	17,808,289

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

12 Creditors: amounts falling due after more than one year

	2003 £	2002 £
Other loans	-	1,946,150
Loan maturity analysis		
In more than one year but not more than two years	-	252,720
In more than two years but not more than five years	-	757,280
In more than five years	-	936,150

The loans are secured on certain fixed assets of the company and those of its subsidiaries. Interest is charged prevailing market rates.

13 Pension costs

Defined contribution

	2003 £	2002 £
Contributions payable by the company for the year	140,509	193,206

14 Share capital

	2003 £	2002 £
Authorised		
100,000,000 Ordinary shares of 1p each	1,000,000	1,000,000
Allotted, called up and fully paid		
129,700 Ordinary shares of 1p each	1,297	1,297

15 Statement of movements on reserves

	Share premium account £	Revaluation reserve £	Profit and loss account £
Balance at 1 January 2003	4,815,208	2,648,261	(6,069,394)
Retained loss for the year	-	-	(451,917)
Transfer from revaluation reserve to profit and loss account	-	(1,190,141)	1,190,141
Balance at 31 December 2003	4,815,208	1,458,120	(5,331,170)

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

16 Reconciliation of movements in shareholders' funds	2003 £	2002 £
Loss for the financial year	(451,917)	(3,209,706)
Other recognised gains and losses	-	(353,713)
Net depletion in shareholders' funds	(451,917)	(3,563,419)
Opening shareholders' funds	1,395,371	4,958,790
Closing shareholders' funds	943,455	1,395,371

17 Financial commitments

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2003 £	2002 £
Expiry date:		
In over five years	1,632,000	800,000

18 Directors' emoluments	2003 £	2002 £
Emoluments for qualifying services	366,583	778,749
Company pension contributions to money purchase schemes	89,071	137,409
	455,654	916,158

Emoluments disclosed above include the following amounts paid to the highest paid director:

Emoluments for qualifying services	250,000	354,166
Company pension contributions to money purchase schemes	70,000	120,000

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2003

19 Employees

Number of employees

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

	2003 Number	2002 Number
Administration	29	-
Bar Staff	228	-
	257	-

Employment costs

	£	£
Wages and salaries	3,507,537	2,256,502
Social security costs	336,510	74,522
Other pension costs	140,509	193,206
	3,984,556	2,524,230

20 Control

The ultimate parent company is Mean Fiddler Music Group Plc, a company registered in England and Wales.

Mean Fiddler Music Group Plc prepares consolidated financial statements and copies can be obtained from its registered office at 22 Melton Street, London NW1 2BW.

21 Related party transactions

The company has taken advantage of the exemption in Financial Reporting Standard Number 8 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.