

AUDITORS' REPORT TO THE DIRECTORS OF
SLEEPING GIANT MUSIC INTERNATIONAL LIMITED

COMPANY REGISTRATION NO. 01850708

I have examined the modified financial statements attached hereto, which have been properly prepared in accordance with Section 247 of the Companies Act 1985. In my opinion the company satisfies the requirements of Schedule 8 paragraphs 1 and 10 of the Companies Act for exemption as a small company for the year to 30th June 1995.

As Auditor of the Company, on 5th July 1996 I reported to the members on the financial statements of the company prepared under Section 227 of the Companies Act 1985 for the year to 30th June 1995 as follows:

I have audited the financial statements set out on Pages 4 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of Directors and Auditor

The company's Directors are responsible for the preparation of the financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted my audit in accordance with Auditing Standards issue by the Auditing Practices Board. An audit includes an 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. I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming my opinion, I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of affairs of the company at 30th June 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



37 Lyndhurst Drive
Leyton
London E10 6JB


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I. CHINMAN F.C.C.A.
Registered Auditor &
Certified Accountant

5th July 1996

MODIFIED BALANCE SHEET AS AT

30TH JUNE 1995

	Note	1995		1994	
		£	£	£	£
FIXED ASSETS					
Tangible Assets			18,078		17,442
Investments:					
Unquoted Investments			49		49
			<u>18,127</u>		<u>17,491</u>
CURRENT ASSETS					
Debtors: Amounts falling due within one year		38,854		63,475	
Cash at Bank and in Hand		13,582		9,495	
		<u>52,436</u>		<u>72,970</u>	
CREDITORS: Amounts falling due within one year		<u>(89,727)</u>		<u>(73,976)</u>	
NET CURRENT LIABILITIES			<u>(37,291)</u>		<u>(1,006)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(19,164)</u>		<u>16,485</u>
CREDITORS: Amounts falling due after one year			<u>(15,898)</u>		<u>(20,427)</u>
			<u>£ (35,062)</u>		<u>£ (3,942)</u>
CAPITAL AND RESERVES					
Called-up Share Capital 2			500		500
Profit and Loss Account			(35,562)		(4,443)
			<u>£ (35,062)</u>		<u>£ (3,943)</u>

These accounts have been modified in accordance with the Companies Act 1985. In so doing, we have relied upon Sections 247 to 249 of the Companies Act 1985 as entitling us to deliver modified accounts, on the grounds that the Company is entitled to the benefit of those Sections as a small Company.

Signed on behalf of the Board.-

.....) Directors
)

5th July 1996

The accompanying notes are an integral part of these financial statements

NOTES TO THE MODIFIED ACCOUNTSYEAR TO 30TH JUNE 19951. Accounting Policies

The financial statements have been prepared under the historical cost convention.

The principal accounting policies have remained unchanged and are set out below:-

Turnover

Turnover comprises royalties received less royalties & copyrights payable

Depreciation

Depreciation is calculated to write off the book value of each tangible fixed asset over its expected useful life by equal annual instalments at the following rates:-

Fixtures & Fittings	20%
Motor Vehicles	20%

NOTES TO THE MODIFIED ACCOUNTS

YEAR TO 30TH JUNE 1995

2. Called-up Share Capital

	<u>1995</u>	<u>1994</u>
	£	£
Authorised Issued and fully paid:-		
500 Ordinary Shares of £1 each	500	500

3. Creditors

Amounts falling due after one year:-

	<u>1995</u>	<u>1994</u>
	£	£
Prov. for amounts payable to writers & comp	15,898	18,214
Corporation Tax	-	2,213
	<u>£ 15,898</u>	<u>£ 20,427</u>

NOTES TO THE FINANCIAL STATEMENTS

YEAR TO 30TH JUNE 1995

4. Tangible Assets

	Fixtures and Fittings	Motor Vehicles	Total
	£	£	£
<u>Cost</u>			
At 1st July 1994	11,341	22,147	33,488
Additions	548	13,619	14,167
Disposals	-	(10,000)	(10,000)
At 30th June 1995	11,889	25,766	37,655
<u>Depreciation</u>			
At 1st July 1994	7,617	8,429	16,046
Charge	2,378	7,153	9,531
Disposals	-	(6,000)	(6,000)
At 30th June 1995	9,995	9,582	19,577
<u>Net Book Values</u>			
At 1st July 1994	£ 3,724	£ 13,718	£ 17,442
At 30th June 1995	£ 1,894	£ 16,184	£ 18,078

5. Auditor's Remuneration

The remuneration of the Auditor in his capacity as Auditor was £638 (1994 £190).