

Company Number: 2460021

SULGRAVE MUSIC LIMITED

ACCOUNTS

30 September 1997



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SULGRAVE MUSIC LIMITED

DIRECTOR'S REPORT

The director presents his report and the accounts for the year ended 30 September 1997.

1 PRINCIPAL ACTIVITY

The principal activity of the company is the provision of services to the music industry.

2 DIRECTORS AND INTERESTS IN SHARES

The sole director at 30 September 1997 was M Clifford who held a beneficial interest, as defined by the Companies Act 1985, in two ordinary shares of the company at that date and at the beginning of the year.

3 FIXED ASSETS

Expenditure of £ 3,112 was incurred on fixed assets as detailed in note 5.

In preparing this report, advantage has been taken of the exemption provided by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board



M CLIFFORD

Director

23 July 1998

SULGRAVE MUSIC LIMITED**PROFIT AND LOSS ACCOUNT**

for the year ended 30 September 1997

	Note	1997	1996
TURNOVER		26,363	35,533
Administrative expenses		(17,431)	(16,458)
OPERATING PROFIT	3	8,932	19,075
Interest		(1,174)	(13)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,758	19,062
Tax on profit on ordinary activities	4	(1,797)	(4,500)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		5,961	14,562
Dividends		-	(5,000)
RETAINED PROFIT FOR THE YEAR		5,961	9,562
Accumulated profit/(losses) at beginning of year		9,333	(229)
RETAINED PROFIT (ACCUMULATED LOSSES) AT END OF YEAR		£ 15,294	£ 9,333

All activities of the Company are continuing activities, there were no acquisitions in the year.

There were no recognised gains or losses other than the profit for the year as shown above.

The only movement in shareholder's funds was in respect of the results shown above.

SULGRAVE MUSIC LIMITED

BALANCE SHEET

30 September 1997

	Note	1997	1996
FIXED ASSETS	5	5,383	5,694
CURRENT ASSETS			
Stocks		-	18,750
Debtors	6	35,637	10,549
Cash at bank and in hand		-	10,981
		(35,637)	40,280
CREDITORS			
due within one year	7	(25,724)	(36,639)
NET CURRENT ASSETS (LIABILITIES)		9,913	3,641
TOTAL ASSETS LESS			
CURRENT LIABILITIES		£ 15,296	£ 9,335
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account		15,294	9,333
SHAREHOLDER'S FUNDS		£ 15,296	£ 9,335

The balance sheet is continued on page 4.

SULGRAVE MUSIC LIMITED

BALANCE SHEET (Continued)

30 September 1997

For the year ended 30 September 1997 the company was entitled to exemption from audit under Section 249(A)1 of the Companies Act 1985, "The Act", and no notice has been deposited under Section 249B(2) of the Act.

The directors acknowledge their responsibility for:

- i) ensuring the company keeps proper accounting records which comply with Section 221 of the Act; and
- ii) preparing accounts which give a true and fair view of the state of affairs of the company 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 of the Act, and which otherwise comply with the requirements of the Act relating to accounts.

Advantage has been taken, in the preparation of the accounts, of the exemptions conferred by Part 1 Schedule 8 to the Act.

In the opinion of the directors, the company is entitled to the exemptions conferred by Schedule 8 to the Act on the basis that it qualifies as a small company under Section 247 of the Act.

Approved by the Board on



M CLIFFORD - Director

23 July 1998

SULGRAVE MUSIC LIMITED

NOTES TO THE ACCOUNTS

for the year ended 30 September 1997

1 ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention, adopting the following principal accounting policies.

Turnover

Turnover represents the amounts, excluding valued added tax, receivable during the period for goods and services supplied.

Depreciation

Depreciation is calculated to write off the cost of tangible assets less their estimated residual value over their estimated useful lives at the following rates per annum:-

Studio expenditure	15% of cost
Plant and equipment	20% of cost
Music equipment	33% of cost
Motor vehicles	25% of cost

Foreign Currencies

Monetary assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit (loss).

Royalties

Royalties are brought into account when they become due and payable or when received in the year by way of non-refundable advances on anticipated future royalties.

Production Costs

Expenditure on production costs is written off in the year in which it is incurred, except where there is a foreseeable contract in which case it is written off against the first non-recoupable advance.

Cash Flow Statement

The company has not presented a cash flow statement on the grounds that the company qualifies as a small company within the meaning of Financial Reporting Standard Number 1 and hence is exempt from the requirements thereof. The director is of the opinion that the costs of preparing such a statement would outweigh the benefits to the company.

SULGRAVE MUSIC LIMITED

NOTES TO THE ACCOUNTS

for the year ended 30 September 1997

2 TURNOVER

Of the company's total turnover, 10% relates to services outside the United Kingdom.

3 OPERATING PROFIT	1997	1996
Operating profit is stated after charging:	£	£
Depreciation of fixed assets	3,423	2,528
Director's emoluments	4,000	4,000
	<u> </u>	<u> </u>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for taxation comprises:

Corporation tax based on profit for the year at 22.5% (1995 25%)	£ 1,797	£ 4,500
	<u> </u>	<u> </u>

5 TANGIBLE FIXED ASSETS

	Studio expenditure	Music equipment	Plant & equipment	Motor vehicles	Total
Cost					
At 1 October 1996	2,356	19,751	6,498	4,149	32,754
Additions	-	2,100	1,012	-	3,112
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 1997	2,356	21,851	7,510	4,149	35,866
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation					
At 1 October 1996	1,376	16,947	4,588	4,149	27,060
Charge for year	353	2,219	851	-	3,423
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 1997	1,729	19,166	5,439	4,149	30,483
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Net book value					
At 30 September 1997	£ 627	£ 2,685	£ 2,071	£ -	£ 5,383
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 September 1996	£ 980	£ 2,804	£ 1,910	£ -	£ 5,694
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

SULGRAVE MUSIC LIMITED

NOTES TO THE ACCOUNTS

for the year ended 30 September 1997

	1997	1996
6 DEBTORS		
Trade debtors	2,761	3,496
Other debtors	-	2,528
Director's account	32,876	4,525
	£ 35,637	£ 10,549

The director's account is with M Clifford. It is interest free and had no fixed repayment terms. The maximum amount outstanding during the year was £36,187. This was cleared by the payment of a dividend after date.

7 CREDITORS - due within one year

Bank overdraft	358	24
Bank loan	8,063	-
Payments on account of long term contracts	-	14,688
Trade creditors	2,088	2,098
Corporation tax	6,172	11,463
Other creditors	9,043	8,366
	£ 25,724	£ 36,639

8 SHARE CAPITAL

Authorised:

100 ordinary equity shares of £1 each	£ 100	£ 100

Allotted and fully paid:

2 ordinary equity shares of £1 each	£ 2	£ 2

9 CONTINGENT ASSET

At the time of preparing these accounts, legal proceedings were underway to claim royalties due from Permanent Records. The company is due approximately £25,000 in respect of royalties due on record sales (the "Choir Boy" album) which should have been paid over to its collecting agency, MCPS. No progress has been made since last year.

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS

To the director of

SULGRAVE MUSIC LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30 September 1997, set out on pages 2 to 7, and you consider that the company is exempt from an audit and a report under Section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

HAZLEWOODS

Staverton, Cheltenham

A handwritten signature in dark ink, appearing to be 'J. H. H.', written in a cursive style.

23 July 1998