

Company Number: 2460021

SULGRAVE MUSIC LIMITED

ACCOUNTS

30 September 1998



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SULGRAVE MUSIC LIMITED

DIRECTOR'S REPORT

The director presents his report and the accounts for the year ended 30 September 1998.

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 1998 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 £6,170 was incurred on fixed assets as detailed in note 5.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



M CLIFFORD

Director

5 July 1999

SULGRAVE MUSIC LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 30 September 1998

	Note	1998	1997
TURNOVER		24,494	26,363
Administrative expenses		(15,698)	(17,431)
OPERATING PROFIT	3	8,796	8,932
Interest		(1,499)	(1,174)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		7,297	7,758
Tax on profit on ordinary activities	4	(1,923)	(1,797)
RETAINED PROFIT FOR THE YEAR		5,374	5,961
Accumulated profit at beginning of year		15,294	9,333
RETAINED PROFIT AT END OF YEAR		<u>£ 20,668</u>	<u>£ 15,294</u>

SULGRAVE MUSIC LIMITED**BALANCE SHEET**

30 September 1998

	Note	1998	1997
FIXED ASSETS	5	5,623	5,383
CURRENT ASSETS			
Debtors	6	37,747	35,637
CREDITORS			
due within one year	7	(22,700)	(25,724)
NET CURRENT ASSETS		15,047	9,913
TOTAL ASSETS LESS			
CURRENT LIABILITIES		£ 20,670	£ 15,296
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit and loss account		20,668	15,294
SHAREHOLDER'S FUNDS		£ 20,670	£ 15,296

The balance sheet is continued on page 4.

SULGRAVE MUSIC LIMITED

BALANCE SHEET (Continued)

30 September 1998

For the year ended 30 September 1998 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.

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Approved by the Board on



M CLIFFORD - Director

5 July 1999

SULGRAVE MUSIC LIMITED

NOTES TO THE ACCOUNTS

for the year ended 30 September 1998

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.

Deferred Taxation

No provision has been made for deferred taxation as the director is of the opinion that an actual liability will not arise in the foreseeable future.

SULGRAVE MUSIC LIMITED

NOTES TO THE ACCOUNTS

for the year ended 30 September 1998

2 TURNOVER

Of the company's total turnover, 82% (1997 - 10%) relates to services outside the United Kingdom.

3 OPERATING PROFIT	1998	1997
Operating profit is stated after charging:	£	£
Depreciation of fixed assets	5,930	3,423
Director's emoluments	4,000	4,000

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The charge for taxation comprises:

Corporation tax based on profit for the year at 22.5% (1997 22.5%)	£ 1,923	£ 1,797

5 TANGIBLE FIXED ASSETS

	Studio expenditure	Music equipment	Plant & equipment	Motor vehicles	Total
Cost					
At 1 October 1997	2,356	21,851	7,510	4,149	35,866
Additions	-	1,873	26	4,271	6,170
At 30 September 1998	2,356	23,724	7,536	8,420	42,036
Depreciation					
At 1 October 1997	1,729	19,166	5,439	4,149	30,483
Charge for year	353	3,303	1,206	1,068	5,930
At 30 September 1998	2,082	22,469	6,645	5,217	36,413
Net book value					
At 30 September 1998	£ 274	£ 1,225	£ 891	£ 3,203	£ 5,623
At 30 September 1997	£ 627	£ 2,685	£ 2,071	£ -	£ 5,383

SULGRAVE MUSIC LIMITED

NOTES TO THE ACCOUNTS

for the year ended 30 September 1998

	1998	1997
6 DEBTORS		
Trade debtors	13,160	2,761
Other debtors	663	-
Director's account	23,924	32,876
	£ 37,747	£ 35,637

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 £23,924

7 CREDITORS - due within one year

Bank overdraft	319	358
Bank loan	6,757	8,063
Trade creditors	770	2,088
Corporation tax	6,500	6,172
Other creditors	8,354	9,043
	£ 22,700	£ 25,724

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 CONTROL OF THE COMPANY

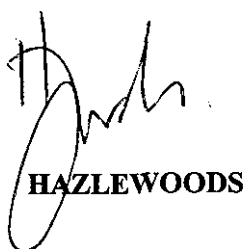
The company is controlled by Mr M Clifford.

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 1998, 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

5 July 1999