

GREENSLEEVES RECORDS LIMITED

ABBREVIATED ACCOUNTS

YEAR ENDED 30TH SEPTEMBER 1996

REGISTERED NUMBER : 871107 England and Wales



REPORT OF THE AUDITORS TO THE DIRECTORS
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 3 to 6, together with the full statutory accounts of the company for the year ended 30th September 1996, prepared under section 226 of the Companies Act 1985 as modified by the exemptions provided by Part I of Schedule 8.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the full statutory accounts that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those accounts. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full statutory accounts.

OPINION

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to the Act, in respect of the year ended 30th September 1996, and the abbreviated accounts on pages 3 to 6 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 30th April 1997 we reported, as auditors of Greensleeves Records Limited, to the shareholders on the full statutory accounts for the year ended 30th September 1996, and our audit report was as follows:

"We have audited the accounts on pages 3 to 8 which have been prepared in accordance with the accounting policies set out in the notes to the accounts.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

REPORT OF THE AUDITORS TO THE DIRECTORS (CONTINUED)
UNDER PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies."

Davey House
Castle Meadow
NORWICH
NR1 3DE

30th April 1997


ROSTRON & PARTNERS

Chartered Accountants and
Registered Auditors

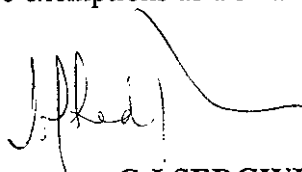
ABBREVIATED BALANCE SHEET
AT 30TH SEPTEMBER 1996

	<u>Note</u>	<u>1996</u>	<u>1995</u>
		£	£
<u>FIXED ASSETS</u>			
Tangible assets	2	50,153	62,734
<u>CURRENT ASSETS</u>			
Stocks	3	440,846	371,512
Debtors		617,724	489,984
Cash at bank and in hand		532,496	687,120
		<hr/>	<hr/>
		1,591,066	1,548,616
<u>CREDITORS</u>			
Amounts falling due within one year	4	1,046,172	881,769
		<hr/>	<hr/>
<u>NET CURRENT ASSETS</u>		544,894	666,847
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<hr/>	<hr/>
		595,047	729,581
		<hr/>	<hr/>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	5	17,250	17,250
Profit and loss account		577,797	712,331
		<hr/>	<hr/>
<u>SHAREHOLDERS' FUNDS</u>		595,047	729,581
		<hr/>	<hr/>

The directors have taken advantage of special exemptions conferred by Part III of Schedule 8 to the Companies Act 1985 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

In the preparation of the company's accounts, the directors have taken advantage of special exemptions applicable to small companies provided by Part I of Schedule 8 and have done so on the grounds that, in their opinion, the company is entitled to those exemptions as a small company.

Signed on behalf of the board of directors



C J SEDGWICK)



B M SEDGWICK)

Directors

NOTES TO THE ACCOUNTS
YEAR ENDED 30TH SEPTEMBER 1996

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention. There have been no changes during the year in the accounting policies, which are disclosed under the appropriate headings in the following notes.

2. TANGIBLE FIXED ASSETS

	£
Cost:	
1st October 1995	128,316
Additions	9,363
	<hr/>
30th September 1996	137,679
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Depreciation:	
1st October 1995	65,582
Charge for year	21,944
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30th September 1996	87,526
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Net book value:	
30th September 1996	50,153
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30th September 1995	62,734
	<hr/>

Tangible fixed assets are depreciated over their anticipated useful lives at the following annual rates:

Leasehold land and buildings	Over period of lease
Fixtures and fittings	10%, 15% and 33.33% straight line

3. STOCKS

Stocks, which consist of finished goods and goods for resale, are stated at the lower of cost or net realisable value. Cost represents materials plus direct production expenses.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 30TH SEPTEMBER 1996**4. CREDITORS**

Creditors include amounts due to the directors in respect of unsecured interest free loans repayable as follows:

	<u>1996</u>	<u>1995</u>
	£	£
Within one year	43,697	27,168
	<u> </u>	<u> </u>

5. SHARE CAPITAL

Ordinary shares of £1 each:
Authorised

£	£
20,000	20,000
<u> </u>	<u> </u>

Issued and fully paid

17,250	17,250
<u> </u>	<u> </u>

6. TRANSACTIONS WITH DIRECTORS

The company leases premises from C J Sedgwick and during the year made payments of £80,000 (1995: £64,000) to him in respect of rent.

7. TURNOVER

Turnover represents the invoiced value of sales to third parties, together with royalties and publishing income received, excluding Value Added Tax.

8. PENSION COSTS

The company operates defined contribution pension schemes for its executive directors, which are held in separate trustee-administered funds. Contributions to these funds, which are charged against profit when paid, are based upon actuarial advice where necessary.

9. DEFERRED TAXATION

Provision is made at the anticipated rates for deferred taxation in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

10. LEASES

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 30TH SEPTEMBER 1996

11. FOREIGN CURRENCIES

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.

12. SUBSIDIARY COMPANY

The company has one wholly-owned subsidiary, Greensleeves Publishing Limited (incorporated in England and Wales). This company is dormant and has no auditors. Consolidated accounts have not been prepared for the current year since the company has taken advantage of Section 248 of the Companies Act 1985 and has chosen not to prepare group accounts. The investment in the subsidiary represents the following:

	<u>1996</u>	<u>1995</u>
	£	£
Shares at cost	100	100
Profit and loss account deficit	(30)	(30)
	—	—
	70	70
Amount owing by holding company	(70)	(70)
	—	—
	-	-
	==	==

13. CONTINGENT LIABILITY

The company has incurred legal fees in successfully defending an action taken against it by one of its songwriters. The judgement awarded costs to the company and the directors are hopeful of recovering all legal fees incurred. None of the costs of £11,200 incurred by 30th September 1996 have therefore been charged to the profit and loss account.