

**DIPLOMAT MUSIC LIMITED**  
(Registered in England No. 875521)

**DIRECTORS REPORT AND AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 1996**



## **DIPLOMAT MUSIC LIMITED**

### **REPORT OF THE DIRECTORS**

The directors submit their report together with the audited financial statements for the year ended 30th June 1996.

#### **1. RESULTS AND DIVIDENDS**

The profit for the year is set out in the Profit and Loss Account on page 4. The directors do not propose to declare a dividend in respect of the year ended 30th June 1996 (1995: Nil).

#### **2. REVIEW OF THE BUSINESS**

The principal activity of the company during the year continued to be music publishing. The directors do not anticipate any change in the future.

#### **3. DIRECTORS**

The directors during the year were:-

J Hammond  
B W Hitchens  
A D F Gummer  
E Heine

#### **4. DIRECTORS INTEREST**

At no time during the year did any director have any interest in the shares of the company. There has been no movement in directors' interests since 1st July 1996.

#### **5. AUDITORS**

Elliotts have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the annual general meeting.

#### **6. STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

**DIPLOMAT MUSIC LIMITED**

**REPORT OF THE DIRECTORS**  
**(Continued)**

6. **STATEMENT OF DIRECTORS RESPONSIBILITIES IN RESPECT OF THE ACCOUNTS**  
**(Continued)**

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 accounts 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.

BY ORDER OF THE BOARD

  
B W HITCHENS  
Director

Dated: 28.7.97

129 Park Street  
London W1.

**AUDITORS REPORT TO THE MEMBERS OF**  
**DIPLOMAT MUSIC LIMITED**

We have audited the accounts on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**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.

**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 affairs of the company at 30 June 1996 and of its profit for the period then ended and have been properly prepared in accordance with Companies Act 1985.

*Elliotts*

ELLIOTTS  
Registered Auditor

London

Dated: 30 July 1997

**DIPLOMAT MUSIC LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 30TH JUNE 1996**

	Notes	1996 £	1995 £
Operating loss	3	(663)	(650)
Interest receivable		2,294	2,071
Interest payable		(133)	(57)
		<hr/>	<hr/>
Profit on Ordinary Activities before tax		1,498	1,364
Tax on Profit on Ordinary Activities	5	(371)	(341)
		<hr/>	<hr/>
Profit for the Financial Year		1,127	1,023
Retained profit brought forward		44,377	43,354
		<hr/>	<hr/>
Retained profit carried forward		£ 45,504	£ 44,377
		<hr/>	<hr/>

None of the company's activities were acquired or discontinued during the current and previous years.

A Statement of Total Recognised Gains and Losses has not been presented as there are no gains and losses other than those dealt with in the profit and loss account.

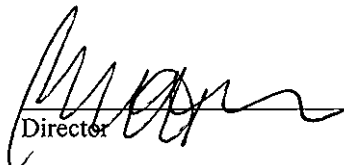
The notes on pages 6 and 7 form part of these financial statements.

**DIPLOMAT MUSIC LIMITED**

**BALANCE SHEET**

**AT 30TH JUNE 1996**

	Notes	1996 £	1995 £
<b>Current Assets:</b>			
Cash at bank		49,344	47,113
		<hr/>	<hr/>
		49,344	47,113
<b>Creditors: Amounts Falling</b>			
Due Within One Year	6	(3,740)	(2,636)
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<u>45,604</u>	<u>£ 44,477</u>
		<hr/>	<hr/>
<b>Capital And Reserves:</b>			
Share Capital	7	100	100
Profit and Loss Account		45,504	44,377
		<hr/>	<hr/>
<b>SHAREHOLDERS' FUNDS</b>	8	<u>£ 45,604</u>	<u>£ 44,477</u>
		<hr/>	<hr/>

  
Director \_\_\_\_\_ B W Hitchens

Dated: 28.7.97

The notes on pages 6 and 7 form part of these financial statements.

**DIPLOMAT MUSIC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 1996**

**1. ACCOUNTING POLICIES**

*Accounting Convention*

These accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

Exemption has been taken from preparing a cashflow statement on the grounds that the company qualifies as a small company.

*Royalty Income*

Credit is taken for royalty income which has been received or declared by users prior to the year end.

**2. TURNOVER**

Turnover represents gross royalties notified. The geographical areas to which turnover relates are as follows:

	1996	1995
United Kingdom	£ nil =====	£ nil =====

**3. OPERATING LOSS**

This is stated after charging:	1996	1995
	£	£
Administrative expenses:		
Audit fee	600	588
Sundry expenses	63	62
	-----	-----
	£ 663 =====	£ 650 =====

**4. EMPLOYEES**

The company had no employees during the year (1995 Nil). No directors remuneration was paid during the year (1995 Nil).

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

The charge for corporation tax is made up as follows:

	1996	1995
	£	£
Based on the profits for the year:		
Corporation Tax at 25%	£ 371 =====	£ 341 =====

**DIPLOMAT MUSIC LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH JUNE 1996**

6. **CREDITORS: Amounts Falling Due Within One Year**

	1996 £	1995 £
Related company - Warner Chappell Music Ltd	2,181	1,707
Corporation Tax	371	341
Accruals	1,188	588
	<hr/>	<hr/>
	£ 3,740	£ 2,636
	<hr/>	<hr/>

7. **SHARE CAPITAL:**

	1996 £	1995 £
Authorised allotted, called up and fully paid:		
50 "A" Shares of £1 each	50	50
50 "B" Shares of £1 each	50	50
	<hr/>	<hr/>
	£ 100	£ 100
	<hr/>	<hr/>

8. **RECONCILIATION OF MOVEMENTS IN  
SHAREHOLDERS' FUNDS**

	1996 £	1995 £
Balance at 1 July 1995	£ 44,477	43,454
Profit for the year	1,127	1,023
	<hr/>	<hr/>
Balance at 30th June 1996	£ 45,604	£ 44,477
	<hr/>	<hr/>