

QUEEN PRODUCTIONS LIMITED
AND ITS SUBSIDIARY UNDERTAKINGS

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 1992

Company No: 1226628



QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1992

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QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 September 1992.

Principal activity

The group is principally engaged in the promotion of the various services and products of certain musicians.

Results and dividend

The directors are satisfied with the financial results of the group for the year and expect the group to remain profitable in the future.

The group's profit for the year after taxation amounted to £3,616,468 (1991 £515,080).

The company made a profit for the year after taxation amounting to £3,326,862 (1991 £620,020). After dividends of £3,000,000 this leaves a profit of £326,862 to be transferred to reserves.

Directors

The directors in office at the end of the year are listed below. All served on the Board throughout the year. The beneficial interests of the directors and their families in the shares of the company at 1 October 1991 and 30 September 1992 were as follows:

| | Ordinary shares of £1 each |
|------------|-------------------------------|
| B H May | 25 |
| J R Deacon | 25 |
| R M Taylor | 25 |

F Mercury died on 24 November 1991.

Fixed assets

Movements of tangible fixed assets are set out in note 8 to the financial statements.

Tax status

The directors are of the opinion that the company is a close company within the provisions of section 414 of the Income and Corporation Taxes Act 1988.

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

REPORT OF THE DIRECTORS (CONTINUED)

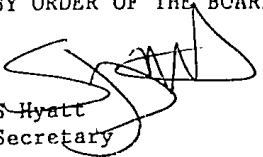
Charitable contributions

Donations to charitable organisations amounted to £1,223,149.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



S Hyatt
Secretary

REPORT OF THE AUDITORS TO THE MEMBERS OF
QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

We have audited the financial statements on pages 4 to 17 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of the affairs of the company and the group at 30 September 1992 and of the profit and cash flows of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Grant Thornton

GRANT THORNTON
REGISTERED AUDITOR
CHARTERED ACCOUNTANTS
LONDON

4th June 1993.

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention in accordance with applicable Accounting Standards.

The principal accounting policies of the group have remained unchanged from the previous year and are set out below.

Basis of consolidation

The group financial statements consolidate those of the company and all its subsidiary undertakings. The financial statements of each company in the group have been prepared to 30 September 1992 except Q M Productions Limited which prepared its first financial statements to 31 March 1993. Management accounts of this company to 30 September 1992 have been consolidated (see note 9). All intra-group profits/transactions are eliminated on consolidation.

Goodwill arising on consolidation is eliminated from the financial statements by immediate write-off on acquisition against reserves.

Turnover

Turnover is the total amount earned by the group in respect of production royalties and income arising from live performances.

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

Interest

Bank interest is accounted for on a received basis.

Deferred expenditure

Deferred expenditure relates to recordings, film projects and associated costs incurred during the year, which are charged to the profit and loss account in the accounting period in which the recordings or film projects are made available for commercial exploitation.

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

PRINCIPAL ACCOUNTING POLICIES (CONTINUED)

Depreciation

Depreciation is calculated to write down the cost of all tangible fixed assets to their estimated residual value over their expected useful lives on the following bases.

| | |
|---|-------------------|
| Freehold buildings | 2% straight line |
| Plant, fixtures, fittings and equipment | 15% straight line |

Investments

Fixed asset investments are stated at cost less amounts written off.

Stock

Stock is stated at the lower of cost and net realisable value.

Deferred taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse, and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that it is expected to be recoverable.

Foreign currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

CONSOLIDATED PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 1992

| | Note | £ | 1992 £ | £ | 1991 £ |
|---|------|------------|-----------------|------------|------------------|
| Turnover | 1 | | 20,815,128 | | 13,565,444 |
| Performance expenditure | | 4,047,926 | | 2,154,105 | |
| Administration expenditure | | 11,685,674 | | 10,734,271 | |
| | | | (15,733,600) | | (12,888,376) |
| Operating profit | 15 | | 5,081,528 | | 677,068 |
| Interest receivable and similar income | | | 290,798 | | 283,534 |
| Interest payable and similar charges | 2 | | (93) | | (590) |
| Profit on ordinary activities before taxation | 1 | | 5,372,233 | | 960,012 |
| Tax on profit on ordinary activities | 4 | | (1,755,765) | | (444,932) |
| Profit for the financial year | 5 | | 3,616,468 | | 515,080 |
| Dividends | 6 | | (3,000,000) | | (600,000) |
| Profit/(loss) retained | | | <u>£616,468</u> | | <u>£(84,920)</u> |
| By the company | | | 326,862 | | 70,020 |
| By subsidiary undertakings | | | 289,606 | | (154,940) |
| | | | <u>£616,468</u> | | <u>£(84,920)</u> |

The accompanying accounting policies and notes form an integral part of these financial statements.

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS
CONSOLIDATED BALANCE SHEET AT 30 SEPTEMBER 1992

| | Note | £ | 1992 £ | £ | 1991 £ |
|--|------|-------------|-------------------|------------------|-----------------|
| Fixed assets | | | | | |
| Intangible assets | 7 | | - | | 500 |
| Tangible assets | 8 | | 273,912 | | 319,857 |
| Investments | 9 | | - | | 19,645 |
| | | | <u>273,912</u> | | <u>340,002</u> |
| Current assets | | | | | |
| Stock | 10 | 51,693 | | 52,785 | |
| Debtors | 11 | 6,564,980 | | 632,198 | |
| Cash at bank and in hand | 17 | 3,584,854 | | 2,418,527 | |
| | | | | <u>3,103,510</u> | |
| Creditors: amounts falling due within one year | 12 | (8,900,476) | | (2,511,066) | |
| | | | | <u>3,103,510</u> | |
| Net current assets | | | 1,301,051 | | 592,444 |
| Total assets less current liabilities | | | <u>£1,574,963</u> | | <u>£932,446</u> |
| Capital and reserves | | | | | |
| Called-up share capital | 13 | | 100 | | 100 |
| Profit and loss account | 14 | | 1,574,863 | | 932,346 |
| | | | <u>£1,574,963</u> | | <u>£932,446</u> |

The financial statements were approved by the board of directors on 9th June 1993



DIRECTOR

The accompanying accounting policies and notes form an integral part of these financial statements.

QUEEN PRODUCTIONS LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1992

| | Note | £ | 1992 £ | £ | 1991 £ |
|--|------|------------------|-------------------|------------------|-----------------|
| Fixed assets | | | | | |
| Intangible assets | 7 | | - | | 500 |
| Tangible assets | 8 | | 272,530 | | 318,264 |
| Investments | 9 | | 14,054 | | 33,697 |
| | | | <u>286,584</u> | | <u>352,461</u> |
| Current assets | | | | | |
| Stock | 10 | 51,693 | | 51,944 | |
| Debtors | 11 | 6,606,401 | | 669,663 | |
| Cash at bank and in hand | | <u>2,385,352</u> | | <u>2,025,114</u> | |
| | | 9,043,446 | | 2,746,721 | |
| Creditors: amounts falling due within one year | 12 | (8,052,021) | | (2,148,035) | |
| Net current assets | | | <u>991,425</u> | | <u>598,686</u> |
| Total assets less current liabilities | | | <u>£1,278,009</u> | | <u>£951,147</u> |
| Capital and reserves | | | | | |
| Called-up share capital | 13 | | 100 | | 100 |
| Profit and loss account | 14 | | <u>1,277,909</u> | | <u>951,047</u> |
| | | | <u>£1,278,009</u> | | <u>£951,147</u> |

The financial statements were approved by the board of directors on 9th June 1993



DIRECTOR

The accompanying accounting policies and notes form an integral part of these financial statements.

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 SEPTEMBER 1992

| | Note | £ | 1992 £ | £ | 1991 £ |
|---|------|-------------|-------------|-----------|------------|
| Net cash inflow from operating activities | 15 | | 4,728,253 | | 2,590,534 |
| Return on investments and servicing of finance | | | | | |
| Interest received | | 290,798 | | 283,534 | |
| Interest paid | | (93) | | (590) | |
| Dividends paid | | (2,720,000) | | (480,000) | |
| Net cash outflow from returns on investments and servicing of finance | | | (2,429,295) | | (197,056) |
| Taxation | | | | | |
| UK corporation tax paid | | | (1,329,670) | | (460,811) |
| Investing activities | | | | | |
| Purchase of tangible fixed assets | | (6,301) | | (21,282) | |
| Sale of tangible fixed assets | | - | | 1,993 | |
| Net cash outflow from investing activities | | | (6,301) | | (19,289) |
| Net cash inflow before financing | | | 962,987 | | 1,913,378 |
| Net cash inflow from financing | 16 | | - | | - |
| Increase in cash and cash equivalents | 17 | | £962,987 | | £1,913,378 |

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1992

1 Turnover and profit on ordinary activities before taxation

The analysis of turnover by geographical market has not been disclosed.

The turnover and profit before taxation are attributable to one activity: the promotion of the various services and products of certain musicians.

The profit on ordinary activities is stated after:

| | 1992 £ | 1991 £ |
|------------------------------------|------------------|------------------|
| Deposit account interest received | 290,798 | 283,534 |
| Auditors' remuneration | | |
| - audit | 16,750 | 18,000 |
| - non audit services | 98,628 | 58,750 |
| Depreciation of owned fixed assets | 52,246 | 57,743 |
| Exchange gains | (21,238) | (43,543) |
| Deed of covenant | 696 | - |
| Equipment hire | - | 5,357 |
| Gift Aid | 1,222,453 | - |
| Amounts written off investments | 500 | - |
| | <u>1,701,175</u> | <u>5,905,847</u> |

2 Interest payable and similar charges

| | 1992 | 1991 |
|-------------------------------|-----------|------------|
| On bank loans and overdrafts | | |
| repayable within 5 years | £93 | £590 |
| otherwise than by instalments | <u>93</u> | <u>590</u> |

3 Directors and employees

| | 1992 £ | 1991 £ |
|--|-------------------|-------------------|
| Staff costs during the year were as follows: | | |
| Wages and salaries | 1,693,415 | 5,882,817 |
| Social security costs | 7,760 | 23,030 |
| | <u>£1,701,175</u> | <u>£5,905,847</u> |

The average number of employees of the group during the year was 8 (1991 11). Staff costs include directors' remuneration as follows:

| | | |
|-----------------|-------------------|-------------------|
| Directors' fees | <u>£1,551,088</u> | <u>£5,809,621</u> |
|-----------------|-------------------|-------------------|

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 1992

3 Directors and employees (continued)

The emoluments of the directors were:

| | | |
|---------------------------|-----------------|-------------------|
| | 1992 | 1991 |
| The highest paid director | <u>£619,522</u> | <u>£1,517,842</u> |

Other directors

| | | |
|--------------------------|--------|--------|
| | Number | Number |
| £0 to £5,000 | 1 | - |
| £465,001 to £470,000 | 2 | - |
| £1,360,001 to £1,365,000 | - | 1 |
| £1,460,001 to £1,465,000 | - | 1 |
| £1,465,001 to £1,470,000 | - | 1 |

4 Tax on profit on ordinary activities

The tax charge is based on the profit for the year and represents:

| | | |
|--|-------------------|-----------------|
| | 1992 £ | 1991 £ |
| United Kingdom corporation tax | 1,668,554 | 239,832 |
| Overseas taxation | 664,038 | 160,497 |
| Double taxation relief | (568,591) | - |
| (Overprovision)/underprovision for corporation tax in previous year | <u>(8,236)</u> | <u>44,603</u> |
| | <u>£1,755,765</u> | <u>£444,932</u> |

United Kingdom corporation tax has been charged at rates varying from 25% to 33% (1991 25% to 34%).

5 Profit for the financial year

The parent company has taken advantage of section 230 of the Companies Act 1985 and has not included its own profit and loss account in these financial statements. The group result for the year includes a profit of £326,802 (1991 profit £20,020) which is dealt with in the financial statements of the company.

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 1992

| 6 | Dividends | 1992 | | 1991 | |
|---|---|-------------------|-------------------|---------------------------------------|-----------------|
| | | £ | | £ | |
| | Ordinary shares | | | | |
| | Interim dividends of: | | | | |
| | £16,000 per share paid 1.4.92 (1991 £4,800) | 1,600,000 | | 480,000 | |
| | £ 2,000 per share paid 1.7.92 (1991 nil) | 200,000 | | - | |
| | £ 6,000 per share paid 20.7.92 (1991 nil) | 600,000 | | - | |
| | £ 2,000 per share paid 28.9.92 (1991 nil) | 200,000 | | - | |
| | Proposed final dividend of | | | | |
| | £4,000 per share (1991 £1,200) | 400,000 | | 120,000 | |
| | | <u>£3,000,000</u> | | <u>£600,000</u> | |
| | | | | | |
| 7 | Intangible fixed assets | | | Trademarks | |
| | | | | £ | |
| | The group and the company | | | | |
| | Cost | | | | 500 |
| | At 1 October 1991 | | | | (500) |
| | Amounts written off in the year | | | | |
| | At 30 September 1992 | | | | <u>£ -</u> |
| | | | | | |
| 8 | Tangible fixed assets | | | Plant, fixtures, fittings & equipment | |
| | | Total | Freehold property | £ | |
| | The group | £ | £ | £ | |
| | Cost | | | | |
| | At 1 October 1991 | 1,087,121 | 172,854 | | 914,267 |
| | Additions | 6,301 | - | | 6,301 |
| | Disposals | (8,271) | - | | (8,271) |
| | At 30 September 1992 | <u>1,085,151</u> | <u>172,854</u> | | <u>912,297</u> |
| | Depreciation | | | | |
| | At 1 October 1991 | 767,264 | 41,483 | | 725,781 |
| | Provided in the year | 52,246 | 3,457 | | 48,789 |
| | Disposals | (8,271) | - | | (8,271) |
| | At 30 September 1992 | <u>811,239</u> | <u>44,940</u> | | <u>766,299</u> |
| | Net book amount at 30 September 1992 | <u>£273,912</u> | <u>£127,914</u> | | <u>£145,998</u> |
| | Net book amount at 30 September 1991 | <u>£319,857</u> | <u>£131,371</u> | | <u>£188,486</u> |

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 1992

| 8 | Tangible fixed assets | | | |
|---|---|------------|---------------------------|---|
| | | Total £ | Freehold property £ | Plant, fixtures, fittings & equipment £ |
| | The company | | | |
| | Cost | | | |
| | At 1 October 1991 | 1,077,257 | 172,854 | 904,403 |
| | Additions | 6,051 | - | 6,051 |
| | At 30 September 1992 | 1,083,308 | 172,854 | 910,454 |
| | Depreciation | | | |
| | At 1 October 1991 | 758,993 | 41,483 | 717,510 |
| | Provided in the year | 51,785 | 3,457 | 48,328 |
| | At 30 September 1992 | 810,778 | 44,940 | 765,838 |
| | Net book amount at 30 September 1992 | £272,530 | £127,914 | £144,616 |
| | Net book amount at 30 September 1991 | £318,264 | £131,371 | £186,893 |

| 9 | Fixed asset investments | | | | |
|---|---|------------------------|-----------|--------------------------|-----------|
| | | The group 1992 £ | 1991 £ | The company 1992 £ | 1991 £ |
| | Royalty and contractual rights at cost | 196,289 | 196,289 | 196,289 | 196,289 |
| | Less amounts written off | (196,289) | (176,644) | (196,289) | (176,644) |
| | | - | 19,645 | - | 19,645 |
| | Investment in subsidiaries: shares at cost | - | - | 14,054 | 14,052 |
| | At 30 September 1992 | £ - | £19,645 | £14,054 | £33,697 |

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 1992

9 Fixed asset investments (continued)

At 30 September 1992 the group held more than 10% of the allotted share capital of the following which are registered in England and Wales except where otherwise stated:

| Subsidiary undertakings | Class of share capital held | Proportion held by the group | Nature of business |
|---|-----------------------------|------------------------------|--|
| Raincloud Productions Limited | Ordinary shares of £1 each | 100 | Promotion of non-UK recordings of certain musicians. Agent for the holding company |
| Mountain Studios (Montreux) Limited | Ordinary shares of £1 each | 100 | Recording studios |
| Mountain Studios SA (registered in Switzerland) | Shares of Sw fr 100 each | 100 | Recording studios |
| Queen Films Limited | Ordinary shares of £1 each | 100 | Distribution of films and videos |
| *Q.M. Productions Limited | Ordinary shares of £1 each | 100 | Promotion of the Freddie Mercury Tribute Concert |

*This company was established to raise funds for distribution to charities and is not expected to make a significant contribution to the group's results.

10 Stock

| | The group | | The company | |
|------------------|----------------|----------------|----------------|----------------|
| | 1992 | 1991 | 1992 | 1991 |
| Goods for resale | <u>£51,693</u> | <u>£52,785</u> | <u>£51,693</u> | <u>£51,944</u> |

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 1992

| 11 Debtors | The group | | The company | |
|------------------------------------|-------------------|-----------------|-------------------|-----------------|
| | 1992 £ | 1991 £ | 1992 £ | 1991 £ |
| Trade debtors | 4,287,796 | 350,151 | 4,246,256 | 224,315 |
| Amounts owed by group undertakings | - | - | 190,452 | 194,554 |
| Other debtors | 2,053,421 | 121,014 | 2,046,683 | 111,904 |
| Prepayments and accrued income | 52,763 | 23,704 | - | 1,561 |
| Current taxation | 6,881 | 91,829 | 6,881 | 91,829 |
| Deferred expenditure | 47,990 | 5,500 | - | 5,500 |
| ACT recoverable | 116,129 | 40,000 | 116,129 | 40,000 |
| | <u>£6,564,980</u> | <u>£632,198</u> | <u>£6,606,401</u> | <u>£669,663</u> |

Included in the above is an amount of £116,129 (1991 £10,000) for both the company and the group which falls due after one year.

12 Creditors: amounts falling due within one year

| | The group | | The company | |
|---|-------------------|-------------------|-------------------|-------------------|
| | 1992 £ | 1991 £ | 1992 £ | 1991 £ |
| Bank overdrafts | 203,340 | - | 97,729 | - |
| Directors' current accounts | 135,894 | 259,971 | 104,144 | 15,344 |
| Trade creditors | 4,466,911 | 409,842 | 5,023,520 | 387,875 |
| Amounts owed to group undertakings | - | - | 515,414 | 171,237 |
| Amounts owed to affiliated undertakings | - | 399,954 | - | 399,954 |
| Current taxation | 203,370 | 128,890 | - | 109,095 |
| ACT payable | 382,796 | 40,000 | 382,796 | 40,000 |
| Other creditors | 250,208 | 188,047 | 170,034 | 165,265 |
| Accruals | 2,857,957 | 964,362 | 1,358,384 | 739,265 |
| Proposed dividend | 400,000 | 120,000 | 400,000 | 120,000 |
| | <u>£8,900,476</u> | <u>£2,511,066</u> | <u>£8,052,021</u> | <u>£2,148,035</u> |

The directors' current accounts owed by Raincloud Productions Limited are secured by a floating charge on all property, present and future, belonging to that company.

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 30 SEPTEMBER 1992

| | | |
|--|--|-------------------|
| 13 Called-up share capital | 1992 & 1991 Authorised, allotted, called-up and fully paid | |
| 100 ordinary shares of £1 each | £100 <u> </u> | |
| 14 Profit and loss account | 1992 £ | 1991 £ |
| The group | | |
| At 1 October 1991 | 932,346 | 1,029,111 |
| Retained profit/(loss) for the year | 616,468 | (84,920) |
| Exchange differences | 26,049 | (11,845) |
| At 30 September 1992 | <u>£1,574,863</u> | <u>£932,346</u> |
| The company | | |
| At 1 October 1991 | 951,047 | 931,027 |
| Profit for the year | 326,862 | 20,020 |
| At 30 September 1992 | <u>£1,277,909</u> | <u>£951,047</u> |
| 15 Net cash inflow from operating activities | 1992 £ | 1991 £ |
| Operating profit | 5,081,528 | 677,068 |
| Depreciation | 52,246 | 57,743 |
| Decrease in stocks | 1,092 | 597 |
| (Increase) in debtors | (5,941,601) | 638,980 |
| Increase in creditors | 5,488,794 | 1,227,991 |
| Foreign exchange differences | 26,049 | (11,845) |
| Write-down of investments | 19,645 | - |
| Amortisation of intangible fixed assets | 500 | - |
| Net cash inflow from operating activities | <u>£4,728,253</u> | <u>£2,590,534</u> |

QUEEN PRODUCTIONS LIMITED AND ITS SUBSIDIARY UNDERTAKINGS
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 FOR THE YEAR ENDED 30 SEPTEMBER 1992

| 16 | Changes in financing during the year | Share capital (including premium) | Loans | Total financing net of cash at bank and in hand |
|----|---|--------------------------------------|------------|--|
| | Balance at 1 October 1991 and at 30 September 1992 | £100 | £ - | £100 |
| 17 | Changes in cash and cash equivalents | | | £ |
| | Balance at 1 October 1991 | | | 2,418,527 |
| | Net cash inflow | | | 962,987 |
| | Balance at 30 September 1992 | | | £3,381,514 |
| | Cash and cash equivalents comprises: | 1992 £ | 1991 £ | Change in year £ |
| | Cash at bank and in hand | 3,584,854 | 2,418,527 | 1,166,327 |
| | Bank overdrafts | (203,340) | - | (203,340) |
| | | £3,381,514 | £2,418,527 | £962,987 |

18 Capital commitments

Neither the group nor the company had any capital commitments at 30 September 1992 or 30 September 1991.

19 Contingent liabilities

There were no contingent liabilities at 30 September 1992 or 30 September 1991.

20 Transactions with directors

During the year the company paid amounts to companies in which directors had a material interest as follows:

| Director | Paid to | £ |
|----------|---------------------------|-----------|
| J Deacon | Goldfinch Productions Ltd | 2,280,000 |
| B May | Duck Productions Ltd | 2,337,500 |
| R Taylor | Nightjar Productions Ltd | 2,332,250 |

| Company Name | Company Number |
|--|---------------------|
| Queen Productions Limited | 1226628 |
| Queen Music Limited (Abbreviated) | 1216419 |
| Raincloud Productions Limited (Abbreviated) | 1349012 |
| Queen Films Limited (Abbreviated) | 1239272 |
| Q-M Productions Limited (Abbreviated) | 2674407* |
| Duck Productions Limited (Abbreviated) | 1232947 |
| Mountain Studios (Montreaux) Limited (Abbreviated) | 1349011 |
| Goldfinch Productions Limited (Abbreviated) | 1235790 |
| Nightjar Productions Limited (Abbreviated) | 1235799 |
| Turnhouse Productions Limited (Abbreviated) | 1229234 |
| The Cross Limited (Abbreviated) | 2383986 |
| Mercury Phoenix Trust | |

*