

Registration No: 1227150

GRICIND LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 1997

NEWMAN & COMPANY
Chartered Accountants



GRICIND LIMITED

FINANCIAL STATEMENTS

31 DECEMBER 1997

CONTENTS

	Page
COMPANY INFORMATION	1
REPORT OF THE DIRECTORS	2
REPORT OF THE AUDITORS	3
GROUP PROFIT AND LOSS ACCOUNT	4
BALANCE SHEET	5
OTHER STATEMENTS	6
GROUP CASH FLOW STATEMENT	7-8
NOTES TO THE FINANCIAL STATEMENTS	9-13
FOR THE INFORMATION OF THE DIRECTORS ONLY - TRADING, PROFIT AND LOSS ACCOUNT	14

GRICIND LIMITED

COMPANY INFORMATION

DIRECTORS:

ROD MACSWEEN
BARRY DICKINS

SECRETARY:

ROD MACSWEEN

REGISTERED OFFICE:

REGENT HOUSE
1 PRATT MEWS
LONDON NW1 0AD

AUDITORS:

NEWMAN & COMPANY
CHARTERED ACCOUNTANTS
REGENT HOUSE
1 PRATT MEWS
LONDON NW1 0AD

GRICIND LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 December 1997.

PRINCIPAL ACTIVITIES

The principal activities of the group are in the field of theatrical agents and concert promoters.

REVIEW OF THE BUSINESS

The directors are pleased with the performance of the group during the year and are looking forward to another successful year.

DIVIDENDS AND TRANSFER TO RESERVES

An interim dividend of £800,000 was paid during the year (1996: Nil) and the directors do not recommend the payment of a final dividend. The retained (loss)/profit is transferred to reserves.

FIXED ASSETS

Expenditure and disposal of fixed tangible assets during the year amounted to £24,155 and £300 respectively. Details of changes are shown in note 10 to the financial statements.

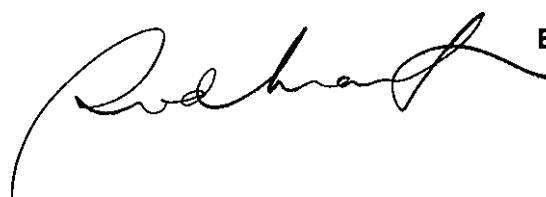
DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the shares of the company at the beginning and end of the year were as follows:

	Number
ROD MACSWEEN	500
BARRY DICKINS	500

AUDITORS

A resolution will be submitted at the annual general meeting proposing that Newman & Company be reappointed auditor and that their audit fee for the ensuing year be agreed with the directors.



BY ORDER OF THE BOARD

ROD MACSWEEN

SECRETARY

19 October 1998

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

GRICIND LIMITED

We have audited the financial statements on pages 4 to 13 which have been prepared under the historical cost convention and the accounting policies set out in note 2.

Respective Responsibilities of Directors and Auditors

As described in note 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements 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 financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group'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 financial statements 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 financial statements.

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the company and the group as at 31 December 1997, and of the group's profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



NEWMAN & COMPANY

**CHARTERED ACCOUNTANTS AND
REGISTERED AUDITORS**

Regent House
1 Pratt Mews
London NW1 0AD

19 October 1998

GRICIND LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1997

	Note	1997 £	1996 £
TURNOVER - CONTINUING OPERATIONS	3	5,881,039	6,609,481
OPERATING EXPENSES		5,708,081	6,709,098
OPERATING PROFIT/(LOSS)		<u>172,958</u>	<u>(99,617)</u>
OTHER INCOME	4	250,601	243,572
		<u>423,559</u>	<u>143,955</u>
INTEREST PAYABLE & SIMILAR CHARGES	5	162	858
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	<u>423,397</u>	<u>143,097</u>
TAX ON ORDINARY ACTIVITIES	7	166,917	62,884
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	<u>256,480</u>	<u>80,213</u>
DIVIDEND	9	800,000	-
		<u>(543,520)</u>	<u>80,213</u>
RETAINED PROFIT BROUGHT FORWARD		2,502,802	2,422,589
RETAINED PROFIT CARRIED FORWARD		<u>1,959,282</u>	<u>2,502,802</u>

There are no acquisitions or discontinued operations during the current or preceding year.

GRICIND LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1997

		Group		Company	
	Note	1997 £	1996 £	1997 £	1996 £
FIXED ASSETS					
Tangible assets	10	170,703	192,852	170,703	192,852
Investment	11	-	-	10,065	10,065
		<u>170,703</u>	<u>192,852</u>	<u>180,768</u>	<u>202,917</u>
CURRENT ASSETS					
Debtors	12	167,284	142,077	137,325	96,219
Cash at bank & in hand		5,101,417	5,283,915	4,981,824	5,133,572
		<u>5,268,701</u>	<u>5,425,992</u>	<u>5,119,149</u>	<u>5,229,791</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	13	(3,479,122)	(3,115,042)	(3,475,016)	(3,016,076)
NET CURRENT ASSETS					
		<u>1,789,579</u>	<u>2,310,950</u>	<u>1,644,133</u>	<u>2,213,715</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>1,960,282</u>	<u>2,503,802</u>	<u>1,824,901</u>	<u>2,416,632</u>
CAPITAL AND RESERVES					
Called up share capital	14	1,000	1,000	1,000	1,000
Profit and loss account		1,959,282	2,502,802	1,823,901	2,415,632
SHAREHOLDERS FUNDS					
		<u>1,960,282</u>	<u>2,503,802</u>	<u>1,824,901</u>	<u>2,416,632</u>

R MACSWEEN

)

) DIRECTORS

B DICKINS

)

Approved by the board on
19 October 1998

GRICIND LIMITED**OTHER STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 1997****STATEMENT OF TOTAL RECOGNISED GAINS
AND LOSSES**

	1997 £	1996 £
Profit for the financial year	256,480	80,213

NOTE OF HISTORICAL COST PROFIT AND LOSSES

There is no material difference between the reported profit for 1997 and 1996 and the profit for those years restated on an historical cost basis.

**RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS FUNDS**

Profit for the financial year	256,480	80,213
Dividend	(800,000)	-
	<u>(543,520)</u>	<u>80,213</u>
Opening shareholders funds	2,503,802	2,423,589
	<u>1,960,282</u>	<u>2,503,802</u>

GRICIND LIMITED

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1997

	1997 £	1996 £
RECONCILIATION OF OPERATING PROFIT/(LOSS) TO CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES		
Operating profit/(loss)	172,958	(99,617)
Depreciation charges	46,304	52,742
(Profit) on disposal of fixed assets	(300)	(1,509)
Decrease in debtors	80,393	60,844
Increase/(decrease) in creditors	297,159	(154,045)
	<hr/>	<hr/>
Net cash inflow/(outflow) from operating activities	596,514	(141,585)
	<hr/>	<hr/>

CASH FLOW STATEMENT

Net cash inflow/(outflow) from operating activities	596,514	(141,585)
Returns on investments & servicing of finance (Note 1)	(549,561)	242,714
Taxation (Note 1)	(256,658)	(193,970)
Capital expenditure (Note 1)	(23,855)	(43,375)
	<hr/>	<hr/>
(Decrease) in cash in period	(233,560)	(136,216)
	<hr/>	<hr/>

**RECONCILIATION OF NET CASH FLOW
TO MOVEMENT IN NET FUNDS (Note 2)**

(Decrease) in cash in period	(233,560)	(136,216)
Net funds at 1 January 1997/1996	5,161,893	5,298,109
	<hr/>	<hr/>
Net funds at 31 December 1997/1996	4,928,333	5,161,893
	<hr/>	<hr/>

GRICIND LIMITED

NOTES TO THE GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1997

	1997		1996	
	£	£	£	£
Note 1 - ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT				
Returns on investments & servicing of finance				
Interest received	250,601		243,572	
Interest paid	(162)		(858)	
Dividend paid	(800,000)		-	
	<u> </u>		<u> </u>	
Net cash (outflow)/inflow		(549,561)		242,714
		<u> </u>		<u> </u>
Taxation				
UK corporation tax refunded	-		6,593	
UK corporation tax paid	(56,658)		(182,876)	
ACT paid	(200,000)		(17,687)	
	<u> </u>	(256,658)	<u> </u>	(193,970)
		<u> </u>		<u> </u>
Capital expenditure				
Purchase of tangible fixed assets	(24,155)		(50,077)	
Sale of tangible fixed assets	300		6,702	
	<u> </u>		<u> </u>	
Net cash (outflow) for capital expenditure		(23,855)		(43,375)
		<u> </u>		<u> </u>
Note 2 - ANALYSIS OF NET FUNDS				
	At 1 January 1997 £	Cash Flows	At 31 December 1997 £	
Cash in hand & bank	5,283,915	(182,498)	5,101,417	
Bank overdraft	(122,022)	(51,062)	(173,084)	
	<u> </u>	<u> </u>	<u> </u>	
	5,161,893	(233,560)	4,928,333	
	<u> </u>	<u> </u>	<u> </u>	

GRICIND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

1. STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which gives 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 financial statements the directors are required to:

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

The directors are responsible for maintaining 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 financial statements 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.

2. ACCOUNTING POLICIES

(a) Accounting Convention

The financial statements are prepared in accordance with the historical cost convention and in accordance with applicable accounting standards.

(b) Basis of Consolidation

The group financial statements include the company and its subsidiaries. All intra group sales and profits are eliminated on consolidation and therefore all sales and profit figures relate to external transactions only.

(c) Depreciation

Depreciation of fixed assets is provided at rates calculated to write down the cost of each asset over its expected useful life at the following annual rates:

Motor vehicles	-	25% pa on reducing balance
Fixtures, fittings & equipment	-	20% pa on reducing balance
Leasehold property	-	over the duration of the lease

(d) Foreign Currencies

Assets and liabilities in foreign currencies are translated to sterling at rates of exchange ruling at the balance sheet date. All exchange differences are dealt with in the profit and loss account.

(e) Deferred Taxation

Provision is made for deferred taxation to the extent that there is a reasonable probability that a liability will arise in the foreseeable future.

(f) Turnover

Turnover represents the net amount of ticket sales, commission and fees invoiced.

GRICIND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

3. TURNOVER - CONTINUING OPERATIONS

The contribution of the principal activities of the group in turnover is shown below:

	1997 £	1996 £
Ticket sales	2,954,065	3,579,826
Commission receivable	2,917,747	3,017,992
Fees receivable	9,227	11,663
	<hr/> 5,881,039	<hr/> 6,609,481
Geographical analysis:		
United Kingdom	4,071,360	4,385,915
Rest of Europe	1,383,795	1,567,582
Asia	168,913	385,978
Rest of the World	256,971	270,006
	<hr/> 5,881,039	<hr/> 6,609,481

4. OTHER INCOME

Other interest	-	102
Bank interest	250,601	243,470
	<hr/> 250,601	<hr/> 243,572

5. INTEREST PAYABLE & SIMILAR CHARGES

Bank interest	162	174
Other interest	-	684
	<hr/> 162	<hr/> 858

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

After charging:		
Auditors remuneration	25,000	19,000
Depreciation - owned assets	46,304	52,742
Directors remuneration	1,086,000	1,226,000
Company pension scheme	200,000	200,000
Hire of equipment	4,338	2,851
(Profit)/loss on exchange	(127,567)	279,656
(Profit) on disposal of fixed assets	(300)	(1,509)
Operating leases - land & buildings	61,000	59,240
	<hr/>	<hr/>

GRICIND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

7. TAX ON PROFIT ON ORDINARY ACTIVITIES	1997	1996
	£	£
Corporation tax for the year at 29.10%/25.35%	155,455	62,884
Overprovision in last year	(6,225)	-
Overseas taxation	17,687	-
	<u>166,917</u>	<u>62,884</u>

8. PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

Profit of £208,269 (1996: £30,823) for the company is dealt with in the financial statements of the holding company.

The company has taken advantage of the exemption from presenting its own profit and loss account.

9. DIVIDEND

Paid	800,000	-
------	---------	---

10. TANGIBLE ASSETS Group & Company	Leasehold Property £	Motor Vehicles £	Furniture Fittings & Equipment £	Total £
COST				
At 1 January 1997	12,347	130,427	344,785	487,559
Additions	-	-	24,155	24,155
Disposals	-	-	(300)	(300)
AT 31 December 1997	<u>12,347</u>	<u>130,427</u>	<u>368,640</u>	<u>511,414</u>
DEPRECIATION				
At 1 January 1997	6,175	72,384	216,148	294,707
Charge for the year	1,235	14,511	30,558	46,304
Eliminated on disposals	-	-	(300)	(300)
AT 31 December 1997	<u>7,410</u>	<u>86,895</u>	<u>246,406</u>	<u>340,711</u>
NET BOOK VALUE				
AT 31 December 1997	<u>4,937</u>	<u>43,532</u>	<u>122,234</u>	<u>170,703</u>
AT 31 December 1996	<u>6,172</u>	<u>58,043</u>	<u>128,637</u>	<u>192,852</u>

GRICIND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

11. INVESTMENTS

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Shares in subsidiary undertakings	-	-	10,065	10,065
Details of shares in subsidiary undertakings are as follows:	Principal Activity	Country of Incorporation	Percentage Held	
Gricind Artist Agency Inc	Theatrical Agents	United States of America	100%	
International Talent Booking Limited	Concert Promotions	United Kingdom	100%	

Gricind Artist Agency Inc was dormant in 1996 and 1997.

12. DEBTORS & PREPAYMENTS

	Group		Company	
	1997	1996	1997	1996
	£	£	£	£
Trade debtors	27,113	13,988	12,804	-
Other debtors	21,583	51,311	5,933	19,592
Prepayments & accrued income	12,988	76,778	12,988	76,627
Corporation tax refundable	105,600	-	105,600	-
	<u>167,284</u>	<u>142,077</u>	<u>137,325</u>	<u>96,219</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank overdraft	173,084	122,022	172,009	118,008
Trade creditors	924,386	1,304,443	889,413	1,222,433
Amounts due to subsidiary undertakings	-	-	104,715	55,322
Other taxation & social security costs	615,553	658,153	586,347	627,624
Corporation tax	61,056	45,197	47,504	27,462
Directors loan account	1,363,150	634,281	1,363,150	634,281
Other creditors & accruals	341,893	350,946	311,878	330,946
	<u>3,479,122</u>	<u>3,115,042</u>	<u>3,475,016</u>	<u>3,016,076</u>

14. CALLED UP SHARE CAPITAL

Authorised, Issued and Fully Paid:

1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
----------------------------------	--------------	--------------	--------------	--------------

GRICIND LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1997

15. DIRECTORS EMOLUMENTS

	1997 £	1996 £
Aggregate emoluments (including pension contributions):		
Management remuneration	1,286,000	1,426,000
Emoluments (excluding pension contributions)	<u>1,086,000</u>	<u>1,226,000</u>
Highest paid director	<u>550,000</u>	<u>620,000</u>

16. EMPLOYEE INFORMATION

	Number	Number
The average number of people including directors employed by the group during the year was:		
Administration	<u>22</u>	<u>22</u>
Their total remuneration was:	£	£
Wages & salaries	1,938,047	1,907,581
Social security costs	194,526	198,684
Company pensions	200,000	200,000
	<u>2,332,573</u>	<u>2,306,265</u>

17. PENSION COSTS

The company operates pension arrangements for the benefit of the directors which are in the nature of defined contribution schemes. The assets of the schemes are held separately from those of the company and are invested with an insurance company.

The charge to the profit and loss account comprises £200,000 (1996 - £200,000).

18. OPERATING LEASE COMMITMENTS

	£	£
The annual commitments under operating leases are:		
Land & buildings:		
Expiry of lease		
After 5 years	<u>61,000</u>	<u>61,000</u>