

Registration No: 1227150

GRICIND LIMITED
FINANCIAL STATEMENTS
31 DECEMBER 1998



NEWMAN & COMPANY
Chartered Accountants

GRICIND LIMITED
FINANCIAL STATEMENTS

31 DECEMBER 1998

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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

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 31 December 1998.

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 satisfied with the performance of the group during the year and are looking forward to another successful year.

YEAR 2000

The directors have considered in detail the potential effects of the year 2000 as it relates to the computers and automated machinery used by this company in all aspects of its business. This review has included computer hardware and software programmes.

The directors believe that they have taken all necessary action to ensure the relevant assets will be fully millennium compliant. The costs of the above compliance have been properly accounted for in the financial statements.

DIVIDENDS AND TRANSFER TO RESERVES

The directors do not recommend the payment of a dividend (1997: £800,000). The profit is transferred to reserves.

FIXED ASSETS

Expenditure and disposal of fixed tangible assets during the year amounted to £76,215 and £49,495 respectively. Details of changes are shown in note 10 to the financial statements.

DIRECTORS AND THEIR INTERESTS

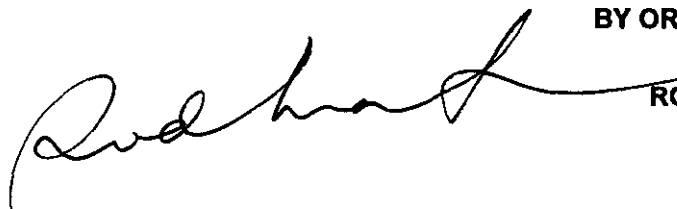
The directors who served during the year and their interests in the shares of the company at the beginning and end of the year were as follows:

	Number
ROD MACSWEEN	500
BARRY DICKINS	500

AUDITORS

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

21 October 1999

BY ORDER OF THE BOARD

ROD MACSWEEN
SECRETARY

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 1998, 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

21 October 1999

GRICIND LIMITED

GROUP PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 1998

	Note	1998 £	1997 £
TURNOVER - CONTINUING OPERATIONS	3	3,954,501	5,881,039
OPERATING EXPENSES		3,902,056	5,708,081
OPERATING PROFIT		<u>52,445</u>	<u>172,958</u>
OTHER INCOME	4	197,792	250,601
		<u>250,237</u>	<u>423,559</u>
INTEREST PAYABLE & SIMILAR CHARGES	5	997	162
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	6	<u>249,240</u>	<u>423,397</u>
TAX ON ORDINARY ACTIVITIES	7	87,358	166,917
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	8	<u>161,882</u>	<u>256,480</u>
DIVIDEND	9	-	800,000
		<u>161,882</u>	<u>(543,520)</u>
RETAINED PROFIT BROUGHT FORWARD		1,959,282	2,502,802
RETAINED PROFIT CARRIED FORWARD		<u>2,121,164</u>	<u>1,959,282</u>

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

GRICIND LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1998

		Group		Company	
	Note	1998 £	1997 £	1998 £	1997 £
FIXED ASSETS					
Tangible assets	10	181,982	170,703	181,982	170,703
Investment	11	-	-	10,065	10,065
		<u>181,982</u>	<u>170,703</u>	<u>192,047</u>	<u>180,768</u>
CURRENT ASSETS					
Debtors	12	74,935	167,284	45,790	137,325
Cash at bank & in hand		4,356,717	5,101,417	4,293,685	4,981,824
		<u>4,431,652</u>	<u>5,268,701</u>	<u>4,339,475</u>	<u>5,119,149</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
	13	(2,491,470)	(3,479,122)	(2,570,125)	(3,475,016)
NET CURRENT ASSETS					
		<u>1,940,182</u>	<u>1,789,579</u>	<u>1,769,350</u>	<u>1,644,133</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
		<u>2,122,164</u>	<u>1,960,282</u>	<u>1,961,397</u>	<u>1,824,901</u>
CAPITAL AND RESERVES					
Called up share capital	14	1,000	1,000	1,000	1,000
Profit and loss account		2,121,164	1,959,282	1,960,397	1,823,901
SHAREHOLDERS FUNDS					
		<u>2,122,164</u>	<u>1,960,282</u>	<u>1,961,397</u>	<u>1,824,901</u>

R MACSWEEN

) DIRECTORS

B DICKINS

Approved by the board on
21 October 1999

GRICIND LIMITED**OTHER STATEMENTS****FOR THE YEAR ENDED 31 DECEMBER 1998****STATEMENT OF TOTAL RECOGNISED GAINS
AND LOSSES**

	1998 £	1997 £
Profit for the financial year	161,882	256,480

NOTE OF HISTORICAL COST PROFIT AND LOSSES

There is no material difference between the reported profit for 1998 and 1997 and the profit for those years restated on an historical cost basis.

**RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS FUNDS**

Profit for the financial year	161,882	256,480
Dividend	-	(800,000)
	161,882	(543,520)
Opening shareholders funds	1,960,282	2,503,802
Closing shareholders funds	2,122,164	1,960,282

GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1998

	1998 £	1997 £
RECONCILIATION OF OPERATING PROFIT TO CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES		
Operating profit	52,445	172,958
Depreciation charges	50,653	46,304
(Profit) on disposal of fixed assets	(7,044)	(300)
(Increase)/decrease in debtors	(13,251)	80,393
(Decrease)/increase in creditors	(1,010,935)	297,159
Net cash (outflow)/inflow from operating activities	(928,132)	596,514

CASH FLOW STATEMENT

Net cash (outflow)/inflow from operating activities	(928,132)	596,514
Returns on investments & servicing of finance (Note 1)	196,795	(549,561)
Taxation (Note 1)	44,363	(256,658)
Capital expenditure (Note 1)	(54,888)	(23,855)
(Decrease) in cash in period	(741,862)	(233,560)

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

(Decrease) in cash in period	(741,862)	(233,560)
Net funds at 1 January 1998/1997	4,928,333	5,161,893
Net funds at 31 December 1998/1997	4,186,471	4,928,333

NOTES TO THE GROUP CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 1998

	1998		1997	
	£	£	£	£
Note 1 - ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT				
Returns on investments & servicing of finance				
Interest received	197,792		250,601	
Interest paid	(997)		(162)	
Dividend paid	-		(800,000)	
Net cash inflow/(outflow)		196,795		(549,561)
Taxation				
UK corporation tax refunded	105,490		-	
UK corporation tax paid	(61,127)		(56,658)	
ACT paid	-		(200,000)	
		44,363		(256,658)
Capital expenditure				
Purchase of tangible fixed assets	(76,215)		(24,155)	
Sale of tangible fixed assets	21,327		300	
Net cash (outflow) for capital expenditure		(54,888)		(23,855)

Note 2 - ANALYSIS OF NET FUNDS

	At 1 January 1998 £	Cash Flows £	At 31 December 1998 £
Cash in hand & bank	5,101,417	(744,700)	4,356,717
Bank overdraft	(173,084)	2,838	(170,246)
	4,928,333	(741,862)	4,186,471

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

3. TURNOVER - CONTINUING OPERATIONS

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

	1998 £	1997 £
Ticket sales	1,572,180	2,954,065
Commission receivable	2,378,300	2,917,747
Fees receivable	4,021	9,227
	<hr/> 3,954,501	<hr/> 5,881,039
Geographical analysis:		
United Kingdom	2,457,990	4,071,360
Rest of Europe	1,108,057	1,383,795
Asia	90,011	168,913
Rest of the World	298,443	256,971
	<hr/> 3,954,501	<hr/> 5,881,039

4. OTHER INCOME

Other interest	-	-
Bank interest	197,792	250,601
	<hr/> 197,792	<hr/> 250,601

5. INTEREST PAYABLE & SIMILAR CHARGES

Bank interest	-	162
Other interest	997	-
	<hr/> 997	<hr/> 162

6. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

After charging:		
Auditors remuneration	25,000	25,000
Depreciation - owned assets	50,653	46,304
Directors remuneration	536,000	1,086,000
Company pension scheme	209,046	200,000
Hire of equipment	7,234	4,338
Loss/(profit) on exchange	9,523	(127,567)
(Profit) on disposal of fixed assets	(7,044)	(300)
Operating leases - land & buildings	62,000	62,000
	<hr/>	<hr/>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
Corporation tax for the year at 26.52%/29.10%	87,177	155,455
Underprovision/overprovision in last year	181	(6,225)
Overseas taxation	-	17,687
	<u>87,358</u>	<u>166,917</u>

8. PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION

Profit of £136,496 (1997: £208,269) 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
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10. TANGIBLE ASSETS

Group & Company

COST

	Leasehold Property £	Motor Vehicles £	Furniture Fittings & Equipment £	Total £
At 1 January 1998	12,347	130,427	368,640	511,414
Additions	-	44,980	31,235	76,215
Disposals	-	(46,168)	(3,327)	(49,495)

AT 31 December 1998	12,347	129,239	396,548	538,134
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DEPRECIATION

At 1 January 1998	7,410	86,895	246,406	340,711
Charge for the year	1,235	19,389	30,029	50,653
Eliminated on disposals	-	(35,212)	-	(35,212)

AT 31 December 1998	8,645	71,072	276,435	356,152
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NET BOOK VALUE

AT 31 December 1998	3,702	58,167	120,113	181,982
AT 31 December 1997	4,937	43,532	122,234	170,703

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

11. INVESTMENTS

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
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 1997 and 1998.

12. DEBTORS & PREPAYMENTS

	Group		Company	
	1998	1997	1998	1997
	£	£	£	£
Trade debtors	12,053	27,113	10,616	12,804
Other debtors	34,991	21,583	7,283	5,933
Prepayments & accrued income	27,891	12,988	27,891	12,988
Corporation tax refundable	-	105,600	-	105,600
	<u>74,935</u>	<u>167,284</u>	<u>45,790</u>	<u>137,325</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

Bank overdraft	170,246	173,084	170,246	172,009
Trade creditors	1,144,465	924,386	1,105,315	889,413
Amounts due to subsidiary undertakings	-	-	218,167	104,715
Other taxation & social security costs	333,422	615,553	274,288	586,347
Corporation tax	87,177	61,056	80,127	47,504
Directors loan account	500,176	1,363,150	500,176	1,363,150
Other creditors & accruals	255,984	341,893	221,806	311,878
	<u>2,491,470</u>	<u>3,479,122</u>	<u>2,570,125</u>	<u>3,475,016</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>
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NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 1998

15. DIRECTORS EMOLUMENTS

	1998	1997
	£	£
Aggregate emoluments (including pension contributions):		
Management remuneration	745,046	1,286,000
Emoluments (excluding pension contributions)	536,000	1,086,000
Highest paid director	275,000	550,000

16. EMPLOYEE INFORMATION

	Number	Number
The average number of people including directors employed by the group during the year was:		
Administration	21	22
Their total remuneration was:	£	£
Wages & salaries	1,286,945	1,938,047
Social security costs	129,896	194,526
Company pensions	209,046	200,000
	1,625,887	2,332,573

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 £209,046 (1997 - £200,000).

18. OPERATING LEASE COMMITMENTS

	£	£
The annual commitments under operating leases are:		
Land & buildings:		
Expiry of lease		
Within 2-5 years	62,000	62,000