

COMPANY NO: 1233240

OLDFIELD MUSIC LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1996

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OLDFIELD MUSIC LIMITEDREPORT OF THE DIRECTORS

The Directors submit their Report and Accounts for the year ended 30th September 1996.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements 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 financial statements, the Directors are required to:-

- select suitable accounting policies and then apply them consistently
- make judgments and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 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 of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activities of the Company are that of record production, live music performance and merchandising.

RESULTS AND DIVIDENDS

The trading profit for the year, after taxation, amounted to £158,935.

A Dividend of £150,000 was paid on 30th September 1996.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Directors are optimistic that the future will be one of continued growth.

FIXED ASSETS

The movements in Fixed Assets are set out in Note 6 to the Accounts.

ROUGHWOOD LEASING LIMITEDREPORT OF THE DIRECTORS (Continued)DIRECTORS

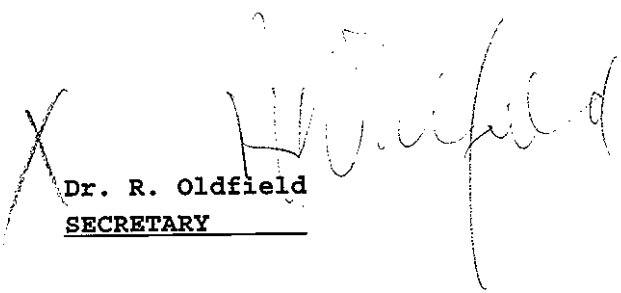
The Directors of the Company who have served during the year, together with details of their interests in the shares of the Company are as shown below:-

	<u>30. 9. 96</u>	<u>30. 9. 95</u>
	<u>Ordinary £1</u>	<u>Ordinary £1</u>
M. G. OLDFIELD	99	99
DR. R. OLDFIELD	1	1
	==	==

TAXATION STATUS

The 'close company' provisions of the Income and Corporation Taxes Act 1988 apply to the Company and there is no undistributed income to be apportioned between the participators.

BY ORDER OF THE BOARD


Dr. R. Oldfield
SECRETARY

112 Jermyn Street,
LONDON SW1Y 6LS

Dated: 7th October 1996

AUDITORS' REPORTTO THE SHAREHOLDERS OF OLDFIELD MUSIC LIMITED

We have audited the financial statements on pages 4 to 9 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 in the Directors Report 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

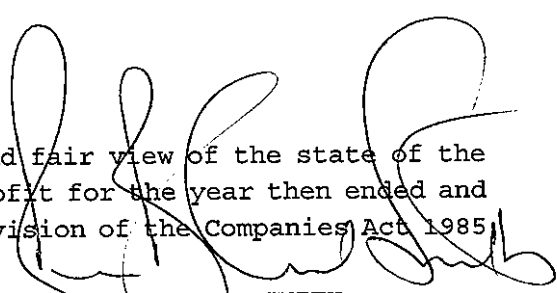
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and adjustments made by the Directors in the preparation of the financial statements, 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 explanation 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 the Company's affairs at 30th September 1996 and of its profit for the year then ended and have been properly prepared in accordance with the provision of the Companies Act 1985 applicable to small Companies.

112 Jermyn Street,
LONDON SW1Y 6LS



ROSS, BENNET-SMITH
Registered Auditors and
Chartered Accountants

Dated: 7th October 1996

OLDFIELD MUSIC LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 30TH SEPTEMBER 1996

		<u>1996</u>		<u>1995</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FEES RECEIVABLE</u>	1		993,908		657,104
Depreciation		97,010		109,741	
Profit/(Loss) on Sale of Fixed Assets		-		(22,756)	
Other Operating Charges		712,931		543,173	
			<hr/>	<hr/>	
			809,941		630,158
			<hr/>		<hr/>
<u>OPERATING PROFIT</u>	2		183,967		26,946
Interest Receivable	3	30,289		15,061	
Interest Payable	4	1,434		(321)	
			<hr/>	<hr/>	
			28,855		14,740
			<hr/>		<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>			212,822		41,686
Taxation	5		53,887		12,045
			<hr/>		<hr/>
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>			158,935		29,641
<u>RETAINED PROFIT Brought Forward</u>			131,827		252,186
			<hr/>		<hr/>
Dividend Paid			290,762		281,827
			150,000		150,000
			<hr/>		<hr/>
<u>RETAINED PROFIT Carried Forward</u>			140,762		131,827
			=====		=====

OLDFIELD MUSIC LIMITEDNOTES ON THE ACCOUNTSFOR THE YEAR ENDED 30TH SEPTEMBER 19961. ACCOUNTING POLICIESa) Accounting Convention:

The Accounts are prepared under the historical cost convention.

The Company has taken advantage of the exemption given in Financial Reporting Standard No. 1 from the requirement to produce a cashflow Statement on the grounds that it is a small Company.

b) Fees Receivable:

This is the amount receivable for the year, net of Value Added Tax, for services provided.

c) Depreciation:

The following fixed assets are depreciated to write off the cost on a reducing balance basis, at the rates indicated:

	<u>Annual Rate</u>
Motor Vehicles	25%
Musical Instruments, Equipment, Fixtures and Fittings	25%
	====

OLDFIELD MUSIC LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 30TH SEPTEMBER 1996

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
2. <u>OPERATING PROFIT</u>		
Operating Profit is after accounting for:		
Directors' Remuneration	31,700	37,550
Audit Fees	5,500	5,500
	=====	=====
3. <u>INTEREST RECEIVABLE</u>		
Bank Deposit Interest	30,289	15,061
	=====	=====
4. <u>INTEREST PAYABLE</u>		
Bank Overdraft	211	259
Other Interest Payable	1,233	62
	-----	-----
	1,434	321
	=====	=====
5. <u>TAXATION</u>		
Corporation Tax payable based on results for the year at 25%	51,427	12,294
(Over)/Under provision in respect of previous years	2,460	(249)
	-----	-----
	53,887	12,045
	=====	=====

OLDFIELD MUSIC LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 30TH SEPTEMBER 1996

	Musical Instruments Fixtures and <u>Fittings</u>	Motor <u>Vehicles</u>	<u>TOTAL</u>
	<u>£</u>	<u>£</u>	<u>£</u>
6. <u>FIXED ASSETS</u>			
<u>Cost:</u>			
At beginning of year	2,297,341	71,310	2,368,651
Additions	71,215	-	71,215
	<hr/>	<hr/>	<hr/>
At end of year	2,368,556	71,310	2,439,866
	=====	=====	=====
<u>Depreciation:</u>			
At beginning of year	1,988,250	51,179	2,039,429
Provided this year	91,977	5,033	97,010
	<hr/>	<hr/>	<hr/>
At end of year	2,080,227	56,212	2,136,439
	=====	=====	=====
<u>Net Book Value:</u>			
At beginning of year	309,091	20,131	329,222
	=====	=====	=====
At end of year	288,329	15,098	303,427
	=====	=====	=====

OLDFIELD MUSIC LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 30TH SEPTEMBER 1996

	<u>1996</u>	<u>1995</u>
	<u>£</u>	<u>£</u>
7. <u>DEBTORS</u>		
Trade Debtors	151,134	326,711
Other Debtors	212,421	296,614
	<u>363,555</u>	<u>623,325</u>
	=====	=====
8. <u>CREDITORS</u> <u>Amounts Falling Due</u>		
<u>Within One Year:</u>		
Trade Creditors	-	60,304
Loan Repayable : Associated Company	494,314	848,527
Loan Repayable : Director	14,568	7,709
Corporation Tax	51,427	37,500
Other Taxes and Social Security Costs	16,646	57,098
Other Creditors	15,000	130,499
	<u>591,955</u>	<u>1,141,637</u>
	=====	=====
9. <u>SHARE CAPITAL</u>		
<u>Authorized, Issued and Fully Paid:</u>		
100 Ordinary Shares of £1 each	100	100
	=====	=====
10. <u>PENSION COMMITMENTS</u>		
The Company has a small self-administered pension scheme for its present Directors. Premiums paid to this scheme during the year amounted to:	5,000	5,000
	=====	=====