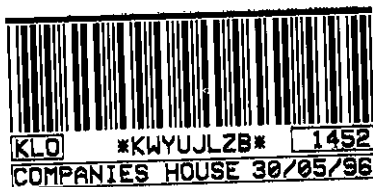


01648331 (England and Wales)

Connect 2 Music Limited

Abbreviated Accounts

for the year ended 31 July 1995



Connect 2 Music Limited

Contents

	Page
Auditors' Report	1 - 2
Balance Sheet	3
Notes to the Abbreviated Accounts	4

Connect 2 Music Limited

Auditors' Report to Connect 2 Music Limited Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 3 to 4 together with the financial statements of Connect 2 Music Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 July 1995.

Respective responsibilities of the director and auditors

The director is responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 July 1995, and the abbreviated accounts on pages 3 to 4 have been properly prepared in accordance with that Schedule.

Other information

On 30th May 1996 we reported, as auditors of Connect 2 Music Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 July 1995, and our audit report was as follows:

'We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the director and auditors

As described on page 1 the company's director is 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.

Connect 2 Music Limited

Auditors' Report to Connect 2 Music Limited
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985 (continued)

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 director 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 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 the company's affairs as at 31 July 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'



Kinches

Chartered Accountants
Registered Auditor

30th May 1996

Suite 3, Cavendish Court
11-15 Wigmore Street
London
W1H 0JX

Connect 2 Music Limited

Abbreviated Balance Sheet as at 31 July 1995

	Notes	£	1995	£	1994	£
Current Assets						
Debtors			2,928		3,912	
Cash at bank and in hand			19,870		-	
			<u>22,798</u>		<u>3,912</u>	
Creditors: amounts falling due within one year			-		(598)	
Net Current Assets				22,798		3,314
Creditors: amounts falling due after more than one year				(20,000)		-
				<u>£ 2,798</u>		<u>£ 3,314</u>
Capital and Reserves						
Called up share capital	2		100		100	
Profit and loss account			2,698		3,214	
Shareholders' Funds				<u>£ 2,798</u>		<u>£ 3,314</u>

In preparing these abbreviated accounts:

- (a) Advantage has been taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985, and
- (b) In the director's opinion the company is entitled to these exemptions as a small company.

In preparing the company's annual financial statements:

- (a) Advantage has been taken of special exemptions applicable to small companies conferred by Schedule 8 to the Companies Act 1985, and
- (b) In the director's opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 30th May 1996.


B. Blue Esq
Director

Connect 2 Music Limited

Notes to the Abbreviated Accounts for the year ended 31 July 1995

1. Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and include the results of the company's operations as indicated in the director's report, all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the director considers that a liability to taxation is unlikely to crystallise.

2. Share Capital	1995 £	1994 £
Authorised		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

3. Ultimate Parent Company

The ultimate parent company is Blueytunes Productions Limited, a company registered in England and Wales.