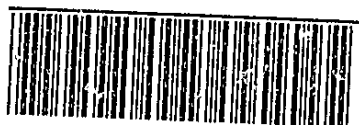


Mushroom Records (UK) Limited
Abbreviated Financial Statements
for the period ended 30 June 1993



A93YC24V

A10 RECEIPT DATE: 15/06/94

Company No. 1736204

Mushroom Records (UK) Limited

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Mushroom Records (UK) Limited

Auditors' Report to the Directors of Mushroom Records (UK) Limited
Pursuant to Paragraph 24 of Schedule 8 to the Companies Act 1985

We have examined the abbreviated accounts on pages 2 to 4 together with the full financial statements of Mushroom Records (UK) Limited for the period ended 30 June 1993. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 2 and that the abbreviated accounts have been properly prepared from the full financial statements.

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 period ended 30 June 1993, and the abbreviated accounts on pages 2 to 4 have been properly prepared in accordance with that Schedule.

On 6th June 1994 we reported, as auditors of Mushroom Records (UK) Limited, to the members on the full financial statements prepared under section 226 of the Companies Act 1985 for the period ended 30 June 1993, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 8 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 on page 2 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 judgments 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 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 30 June 1993 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.'

Harris & Trotter
Chartered Accountants and Registered Auditor



Chartered Accountants
Registered Auditor
8 - 10 Bulstrode Street
London W1M 6AH

6th June 1994

Mushroom Records (UK) Limited

Abbreviated Balance Sheet as at 30 June 1993

	Notes	£	1993 £	£	1992 £
Fixed Assets					
Tangible assets	2		80,530		-
Current Assets					
Debtors		176,982		-	
Cash at bank and in hand		45,566		388	
		<u>222,548</u>		<u>388</u>	
Creditors: amounts falling due within one year		(128,453)		(2,004)	
Net Current Assets			<u>94,095</u>		<u>(1,616)</u>
Total Assets Less Current Liabilities			174,625		(1,616)
Creditors: amounts falling due after more than one year			(399,998)		-
			<u>£(225,373)</u>		<u>£ (1,616)</u>
Capital and Reserves					
Called up share capital	3		2		2
Profit and loss account			(225,375)		(1,618)
			<u>£(225,373)</u>		<u>£ (1,616)</u>

In preparing these abbreviated financial statements:

- (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 directors' 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 directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on


Director

Mushroom Records (UK) Limited

Notes to the Abbreviated Financial Statements
for the period ended 30 June 1993

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 directors' 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 cashflow statement on the grounds that it is a small company.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer equipment	-	25% Reducing balance
Fixtures, fittings and equipment	-	25% Reducing balance
Motor vehicles	-	25% Reducing balance

1.3 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 directors consider that a liability to taxation is unlikely to crystallise.

2. Tangible Assets

	Total
	£
Cost	
Additions	92,034
At 30 June 1993	92,034
Depreciation	
Charge for period	11,504
At 30 June 1993	11,504
Net book values	
At 30 June 1993	£80,530

Mushroom Records (UK) Limited

Notes to the Abbreviated Financial Statements
for the period ended 30 June 1993

3. Share Capital	1993 £	1992 £
Authorised		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>