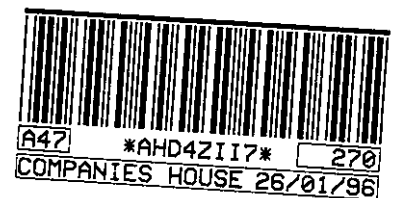


PUNCLOSE LIMITED

Report and Financial Statements

31 March 1995

**Touche Ross & Co.
Hill House
1 Little New Street
London EC4A 3TR**



REPORT AND FINANCIAL STATEMENTS 1995

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REPORT AND FINANCIAL STATEMENTS 1995

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTOR

S M D Fahey Stewart

SECRETARY AND REGISTERED OFFICE

D J Jones
The Colonnades
82 Bishops Bridge Road
London
W2 6BB

AUDITORS

Touche Ross & Co.
Chartered Accountants
Hill House
1 Little New Street
London EC4A 3TR

DIRECTOR'S REPORT

The director presents her annual report and the audited financial statements for the year ended 31 March 1995.

ACTIVITIES

The company acts as manager for the musical career of Siobhan Fahey Stewart receiving income arising from past participation in the popular musical group "Bananarama" and for the new popular musical group "Shakespears Sister" arising under agreements entered into and discharged related costs.

REVIEW OF DEVELOPMENTS

The company has continued to invest in projects which it considers will enhance the future profitability of the company.

FINANCIAL POSITION AND FUTURE DEVELOPMENTS

The director is satisfied with the company's position at the year end and believes that the company is well placed to seek suitable opportunities to extend its activity in the area of musical recording.

DIVIDEND AND TRANSFER TO RESERVES

The director does not recommend the payment of a dividend. The profit for the year after taxation of £166,059 (1994: 1,484) has been transferred to reserves.

DIRECTORS

The following directors served during the year. Their beneficial interests, as defined by the Companies Act 1985, in the shares of the company, at 31 March 1994 and 31 March 1995 were as follows:

	£1 ordinary shares	
	1995	1994
S M D Fahey Stewart	-	-
C R Turner (resigned 15 May 1995)	1	1

AUDITORS

On 1 February 1996 the auditors will change the name under which they practise to Deloitte & Touche. A resolution for the reappointment of Deloitte & Touche as auditors of the company will be proposed at the forthcoming Annual General Meeting.

Approved by and signed on
behalf of the sole Director

D Jones
Secretary

22 January 1996

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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. She is 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.



Chartered Accountants

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Hill House
1 Little New Street
London EC4A 3TR

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PUNCLOSE LIMITED

AUDITORS' REPORT TO THE MEMBERS

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of the director and auditors

As described on page 3 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.

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 at 31 March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants
and Registered Auditors

24 January 1996

PROFIT AND LOSS ACCOUNT
Year ended 31 March 1995

	Note	1995 £	1994 £
TURNOVER - continuing operations	2	602,235	582,103
Cost of sales		(259,789)	(352,978)
Gross profit		<u>342,446</u>	<u>229,125</u>
Administrative expenses		(126,280)	(228,489)
OPERATING PROFIT - continuing operations		<u>216,166</u>	<u>636</u>
Interest receivable and similar income		4,602	360
Interest payable and similar charges	3	(769)	(512)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	<u>219,999</u>	<u>484</u>
Tax (charge)/credit on profit on ordinary activities	5	(53,940)	1,000
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		<u>166,059</u>	<u>1,484</u>
Profit and loss account brought forward		<u>(3,954)</u>	<u>(5,438)</u>
Profit and loss account carried forward		<u><u>162,105</u></u>	<u><u>(3,954)</u></u>

There are no recognised gains or losses for the current financial year and the preceding financial year other than as stated in the profit and loss account above.

BALANCE SHEET
31 March 1995

	Note	£	1995 £	£	1994 £
CURRENT ASSETS					
Debtors	7	106,767		222,542	
Cash at bank and in hand		✓ 214,338		2,575	
		321,105		225,117	
CREDITORS: amounts falling due within one year	8	(158,998)		(229,069)	
NET CURRENT ASSETS/(LIABILITIES)			162,107		(3,952)
TOTAL ASSETS LESS CURRENT LIABILITIES			162,107		(3,952)
CAPITAL AND RESERVES					
Called up share capital	9		2		2
Profit and loss account			162,105		(3,954)
EQUITY SHAREHOLDERS' FUNDS			162,107		(3,952)

These financial statements were approved by the sole Director on 22 January 1996.

S Stewart
Director



NOTES TO THE ACCOUNTS

Year ended 31 March 1995

1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

Accounting convention

These financial statements are prepared under the historical cost convention.

Royalties

Royalties receivable are recognised in respect of each of the royalty accounting periods ending within the company's financial year.

Advances

Non-returnable, recoupable advances received are credited to the profit and loss account in the period in which they are contractually due.

Foreign Exchange

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are recorded at the rates ruling at the dates of the transactions. Translation differences are dealt with through the profit and loss account.

Pension costs

The company pays pension contributions into a self-administered scheme for its director. The company's contributions are charged against profits in the year they are paid.

Cash flow statement

The company qualifies as a small company under the terms of Section 247 of the Companies Act 1985. As a consequence it is exempt from the requirement to publish a cash flow statement.

2. TURNOVER AND PROFIT BEFORE TAXATION

The turnover and profit before taxation are all derived in the UK and attributable to the principal activity of the company.

3. INTEREST PAYABLE AND SIMILAR CHARGES

	1995 £	1994 £
Bank interest	769	512

4. PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

	1995 £	1994 £
Profit/(loss) on ordinary activities before taxation is after charging: Auditors' remuneration	3,250	3,000

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

5. TAX (CREDIT)/CHARGE ON PROFIT/(LOSS) ON ORDINARY ACTIVITIES

	1995 £	1994 £
United Kingdom corporation tax at 25% (1994 - 25%) based on the profit for the year	53,940	(1,000)

6. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	1995 £	1994 £
Directors' emoluments:		
Other emoluments	65,776	189,794
Pension costs	-	8,000
	<u>65,776</u>	<u>197,794</u>
Remuneration of the highest paid director	<u>65,776</u>	<u>189,794</u>
	No.	No.
Scale of other directors' remuneration £ 0 - £ 5,000	<u>1</u>	<u>1</u>
Employee costs during the year (including directors):		
	£	£
Wages and salaries	60,000	172,000
Social security costs	5,776	17,794
Pension costs	-	8,000
	<u>65,776</u>	<u>197,794</u>
	No.	No.
Average number of persons employed (including directors):		
Administration	<u>2</u>	<u>2</u>

7. DEBTORS

	1995 £	1994 £
Trade debtors	90,769	170,247
Other debtors	15,998	52,295
	<u>106,767</u>	<u>222,542</u>

NOTES TO THE ACCOUNTS
Year ended 31 March 1995

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995 £	1994 £
Amounts owed to directors	5,741	34,734
Taxation and social security	75,265	135,574
Other creditors	77,992	58,761
	<u>158,998</u>	<u>229,069</u>

9. CALLED UP SHARE CAPITAL

	1995 £	1994 £
Authorised: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted and fully paid 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>