

Rojo Leisure Limited

Directors' report and financial statements

31 August 2001

Registered number 2467421



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Directors' report and financial statements

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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 August 2001.

Principal activities

The principal activity of the company is the provision of management and administration services to the members of Rojo Leisure Limited and of holding investments.

Result and proposed dividend

The result for the year and the transfer from reserves are set out in the profit and loss account on page 4. The directors do not recommend the payment of a dividend for the year under review (2000:£nil).

Director and director's interests

The directors who held office during the year were as follows:

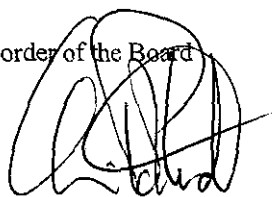
NRA Butterfield
R Huntingford

None of the directors who held office at the end of the financial year had any interest in the shares of the company.

According to the Directors' Register of Interests, no rights to subscribe for shares in or debentures of the company were granted to any of the directors or their immediate families, or exercised by them, during the financial year.

At 31 August 2001, NRA Butterfield and R Huntingford were also directors of Chrysalis Group PLC, the ultimate parent company, and their share interests are disclosed in the directors' report of that Company.

By order of the Board



CR Potterell
Company Secretary

The Chrysalis Building
Bramley Road
London
W10 6SP

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 judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG Audit Plc

PO Box 695
8 Salisbury Square
London
EC4Y 8BB
United Kingdom

Independent auditor's report to the members of Rojo Leisure Limited

We have audited the financial statements on pages 4 to 8.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 2, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we required for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

Basis of audit 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 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 August 2001 and of its loss for the year and have been properly prepared in accordance with the Companies Act 1985.

KPMG Audit Plc

KPMG Audit Plc
Chartered Accountants
Registered Auditor

5 April 2002

Profit and loss account

for the year ended 31 August 2001

	2001 £	2000 £
Administrative expenses	(810)	(70)
Operating loss and loss on ordinary activities before and after tax	(810)	(70)
Retained loss for the period	(810)	(70)
Retained loss brought forward	(731)	(661)
Retained loss carried forward	(1,541)	(731)

All recognised gains and losses are included in the profit and loss account.

The notes on pages 6 to 8 form part of these financial statements.

Balance sheet

at 31 August 2001

	<i>Note</i>	2001 £	2000 £
Fixed assets			
Investments	2	98	98
Current assets			
Debtors	3	605	2,755
Cash at bank and in hand		1,349	-
		1,954	2,755
Creditors: amounts falling due within one year	4	(593)	(584)
Net current assets		1,361	2,171
Net assets		1,459	2,269
Capital and reserves			
Called up share capital	5	3,000	3,000
Profit and loss account		(1,541)	(731)
Shareholders' funds - equity		1,459	2,269

These financial statements were approved by the Board of directors on 05/04/02 and were signed on its behalf by:


NRA Butterfield
Director

The notes on pages 6 to 8 form part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Group Accounts

The company is exempt by virtue of section 228 of the Companies Act 1985 from the requirement to prepare group accounts on the grounds that it is a wholly owned subsidiary of another body corporate registered in England and Wales. These financial statements present information about the company as an individual undertaking and not about its group.

Cash flow exemption

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cashflow statement on the grounds that Chrysalis Group PLC, its parent undertaking, includes the company in its own published consolidated financial statements.

Related parties

As the company is a wholly owned subsidiary of Chrysalis Group PLC, the company has taken advantage of the exemption contained in FRS 8 – Related Party Transactions and has therefore not disclosed transactions or balance with entities which form part of the group. The consolidated financial statements of Chrysalis Group PLC, within which this company is included, can be obtained from the Chrysalis Building, Bramley Road, London W10 6SP.

Investments

Investments in subsidiary and associated undertakings are stated at cost less amounts written off.

Taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation because of the timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Deferred taxation is accounted for using the liability method in respect of all timing differences to the extent that it is probable that a liability or asset will crystallise.

2 Investments

£
98

Cost at 31 August 2001 and at 31 August 2000

The directors are of the opinion that the value of the investments is equal to or greater than their book value. Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

Name of company	Country of Incorporation	Holding	Proportion Held	Type of Business
Hit Label Limited	England	'B' ordinary shares	49%	Record company
Hit Record Co. Ltd.	England	100% subsidiary of Hit Label	49%	Record company
Speaking Book Co. Ltd	England	51% subsidiary of Hit Label	24.99%	Record company

3 Debtors

	2001 £	2000 £
Amounts due from fellow subsidiary	150	2,300
Other debtors	455	455
	<u>605</u>	<u>2,755</u>

4 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank overdraft	-	26
Other creditors	98	98
Accruals	495	460
	<u>593</u>	<u>584</u>

5 Called up share capital

	2001 £	2000 £
<i>Authorised:</i>		
3,000 ordinary shares of £1 each	3,000	3,000
200,000 ordinary shares of 1p each	2,000	2,000
	<hr/> 5,000 <hr/>	<hr/> 5,000 <hr/>
<i>Allotted, called up and fully paid:</i>		
1,000 ordinary shares of £1 each	1,000	1,000
200,000 ordinary shares of 1p each	2,000	2,000
	<hr/> 3,000 <hr/>	<hr/> 3,000 <hr/>

The authorised Share Capital of the Company is divided into 3,000 ordinary £1 shares and 200,000 ordinary 1p shares ranking at all times pari passu with each other for participation in the profits and assets of the Company and in all other respects (other than par value).

6 Ultimate parent company

The immediate parent company is Chrysalis Holdings Limited which is registered in England and Wales. The ultimate parent company is Chrysalis Group PLC, which is registered in England and Wales, for which consolidated accounts are prepared. The consolidated accounts of this company may be obtained from The Secretary, Chrysalis Group PLC, The Chrysalis Building, Bramley Road, London, W10 6SP.

The audit fee is borne by the ultimate parent company.