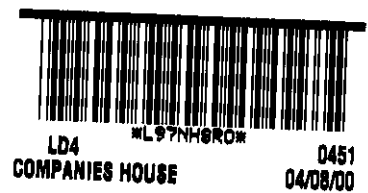


SILVER CLEF LIMITED

COMPANY NUMBER 2515633

ANNUAL REPORT & FINANCIAL STATEMENTS

31 DECEMBER 1999



SILVER CLEF LIMITED  
31 DECEMBER 1999

Directors

S.G. Alder  
A.C. Miller  
N.M. Jarratt  
W.W. Robertson  
J.G. Whitehouse  
A. Wilkinson

Secretary

J.G. Whitehouse

Business address

55 Fulham High Street  
London SW6 3JJ

Registered office

2 Lissenden Gardens  
London NW5 1PP

Auditors

MacIntyre Hudson  
Greenwood House  
4/7 Salisbury Court  
London EC4Y 8BT

INDEX TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 1999

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4	Profit and loss account
5	Balance sheet
6-7	Notes to the accounts

SILVER CLEF LIMITED

DIRECTORS REPORT

The directors submit their report and the audited financial statements for the year ended 31 December 1999.

Principal activities and review of the business

The company's principal activity is to carry out trading on behalf of its parent company, Nordoff Robbins Music Therapy, a charitable company limited by guarantee. The company's net taxable income of £290,011 (1998: £321,297) was distributed to the parent company under deed of covenant.

Results

The results are disclosed on page 4 of these financial statements.

Year 2000

The company has so far not encountered any problems relating to the year 2000 issue. As part of the company's year 2000 action plan which included reviewing the company's business, operations, and its relationships with customers, suppliers and other relevant bodies, all key dates were considered and the board believes that it is unlikely that the company will encounter any problems. However due to the complexity of the problem it is not possible for any organisation to guarantee that no problem will occur. The total costs of the year 2000 compliance work are not deemed to be material, and no further costs are anticipated.

Directors

The directors who served during the year were:

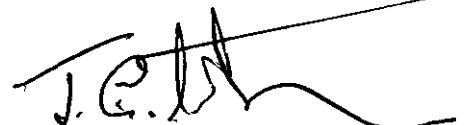
S.G. Alder  
A.C. Miller  
N.M. Jarratt  
W.W. Robertson  
J.G. Whitehouse  
A. Wilkinson

None of the directors had any beneficial interest in the shares of the company or group throughout the year.

Auditors

A resolution for the re-appointment of MacIntyre Hudson will be proposed to the members at the Annual General Meeting.

By Order of the Board



J.G. Whitehouse  
Secretary

2 Lissenden Gardens  
London NW5 1PP

20 July 2000

SILVER CLEF LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SILVER CLEF LIMITED

We have audited the financial statements on pages 4 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 year. 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 are 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.

Statement of Auditors' Responsibilities

As described above, the company's directors are responsible for the preparation of the 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 directors in 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

SILVER CLEF LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF  
SILVER CLEF LIMITED (CONTINUED)

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



MACINTYRE HUDSON  
CHARTERED ACCOUNTANTS  
REGISTERED AUDITOR

Greenwood House  
4/7 Salisbury Court  
London EC4Y 8BT

20 July 2000

**SILVER CLEF LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 DECEMBER 1999**

	Notes	CONTINUING OPERATIONS			
		1999	1998		
		£	£	£	£
Turnover	2	438,035			396,121
Cost of sales		(152,850)			(83,820)
Gross profit		285,185			312,301
Administrative expenses		2,782		4,121	
Covenanted donations		290,011		321,297	
			(292,793)		(325,418)
Operating loss			(7,608)		(13,117)
Other operating income			(2,500)		5,120
Operating loss	3		(10,108)		(7,997)
Interest receivable		10,108		7,997	
			10,108		7,997
Profit on ordinary activities before taxation			-		-
Tax on profit on ordinary activities			-		-
Profit for the year			-		-
Retained profit brought forward			-		-
Retained profit carried forward		£	-	£	-


The company made no recognised gains or losses in 1999 and 1998.

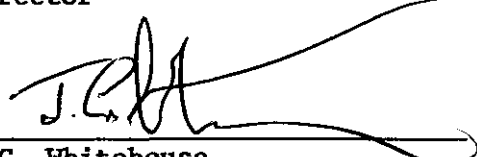
The notes on pages 6 to 7 form part of these financial statements.

**SILVER CLEF LIMITED**  
**BALANCE SHEET**  
**AS AT 31 DECEMBER 1999**

	Notes	1999 £	1998 £
<b>Current assets</b>			
Stocks	5	1,161	-
Debtors	6	93,328	81,241
Cash at bank and in hand		216,242	243,091
		<u>310,731</u>	<u>324,332</u>
<b>Creditors: Amounts falling due within one year</b>	7	<u>(310,631)</u>	<u>(324,232)</u>
<b>Net current assets</b>		100	100
<b>Net assets</b>		<u>£ 100</u>	<u>£ 100</u>
<b>Capital and reserves</b>			
Called up share capital	8	100	100
<b>Shareholders' funds</b>		<u>£ 100</u>	<u>£ 100</u>

The financial statements were approved by the board on 20 July 2000 and signed on its behalf by

  
 A.C. Miller  
 Director

  
 J.G. Whitehouse  
 Director

The notes on pages 6 to 7 form part of these financial statements

SILVER CLEF LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1999

**1. Accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards. A summary of the principal accounting policies are set out below:

**1.1 Basis of accounting**

The financial statements are prepared under the historical cost convention.

**1.2 Turnover**

Turnover represents all amounts receivable in respect of goods and services sold during the year.

**1.3 Stock**

Stock is valued at the lower of cost and estimated net realisable value.

**1.4 Deferred taxation**

As the company is required to distribute its entire taxable profit to Nordoff Robbins Music Therapy, no liability to taxation is foreseen. Therefore, no provision for deferred taxation is deemed necessary.

**2. Turnover**

Turnover arises entirely from sales in the United Kingdom.

**3. Result for the year**

	1999 £	1998 £
The result for the year is stated after charging:-		
Auditors' remuneration	2,500	2,500

**4. Directors and employees**

Apart from the directors there were no employees during the year. No remuneration was paid in either 1999 or 1998.

**5. Stocks**

	1999 £	1998 £
Finished goods and goods for resale	1,161	-
	£ 1,161	£ -

**6. Debtors**

	1999 £	1998 £
Trade debtors	46,600	35,795
Other debtors	46,045	45,446
Prepayments and accrued income	683	-
	£ 93,328	£ 81,241



SILVER CLEF LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 1999

7. Creditors: amounts falling due within one year	1999 £	1998 £
Trade creditors	15,620	114
Other creditors	290,011	250,700
Income tax	-	70,597
Accruals and deferred income	5,000	2,821
	<u>£ 310,631</u>	<u>£ 324,232</u>

8. Share capital	1999 £	1998 £
<u>Authorised</u> 1,000 Ordinary shares of £1 each	<u>£ 1,000</u>	<u>£ 1,000</u>
<u>Allotted, called up and fully paid</u> 100 Ordinary shares of £1 each	<u>£ 100</u>	<u>£ 100</u>

9. Ultimate holding company

The ultimate holding company and controlling party is Nordoff Robbins Music Therapy, a registered charity limited by guarantee and incorporated in England.

As disclosed in the directors report, the company is required to distribute its profit to its holding company, and for the year ended 31 December 1999 this amounted to £290,011 (1998: £321,297).