

SILVER CLEF LIMITED

COMPANY NUMBER 2515633

ANNUAL REPORT & FINANCIAL STATEMENTS

31 DECEMBER 1998



SILVER CLEF LIMITED
31 DECEMBER 1998

Directors

S.G. Alder
A.C. Miller
N.M. Jarratt
W.W. Robertson
J.G. Whitehouse
A. Wilkinson (Appointed 12 April 1999)

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 1998

Page

1	Directors report
2-3	Auditors report
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 1998.

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 £321,297 (1997: £357,268) 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 directors have considered the implications of the year 2000 date change and do not consider that the company's business, assets or operations will be affected by the commencement of the year 2000.

Directors

The directors who served during the year were:

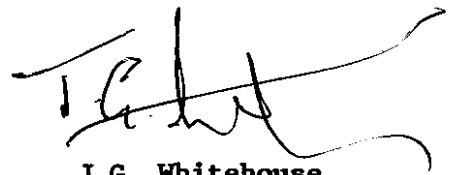
S.G. Alder
A.C. Miller
N.M. Jarratt
W.W. Robertson
J.G. Whitehouse
A. Wilkinson (Appointed 12 April 1999)

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

Auditors

On 1 April 1999 the company's auditors, Hughes Allen, merged with MacIntyre Hudson. A resolution to reappoint MacIntyre Hudson as auditors for the forthcoming year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

By Order of the Board



J.G. Whitehouse
Secretary

2 Lissenden Gardens
London NW5 1PP

23 June 1999

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 1998 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

23 June 1999

SILVER CLEF LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1998

	Notes	CONTINUING OPERATIONS			
		1998	1997		
		£	£	£	£
Turnover	2	396,121			397,920
Cost of sales		(83,820)			(35,929)
Gross profit		312,301			361,991
Administrative expenses		4,121		10,632	
Covenanted donations		321,297		357,268	
			(325,418)		(367,900)
Operating loss			(13,117)		(5,909)
Other operating income			5,120		-
Operating loss	3		(7,997)		(5,909)
Interest receivable		7,997		5,909	
			7,997		5,909
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 1998 and 1997.


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

SILVER CLEF LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 1998

	Notes	1998 £	1997 £
Current assets			
Stocks	5	-	2,860
Debtors	6	81,241	81,913
Cash at bank and in hand		243,091	3,999
		<u>324,332</u>	<u>88,772</u>
Creditors: Amounts falling due within one year	7	<u>(324,232)</u>	<u>(88,672)</u>
Net current assets		100	100
Net assets		<u>£ 100</u>	<u>£ 100</u>
Capital and reserves			
Called up share capital	8	100	100
Shareholders' funds		<u>£ 100</u>	<u>£ 100</u>

The financial statements were approved by the board on 23 June 1999 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 1998

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 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

	1998 £	1997 £
The result for the year is stated after charging:-		
Auditors' remuneration	2,500	2,500

4. Average number of employees

Apart from the directors there were no employees during the year.

5. Stocks

	1998 £	1997 £
Finished goods and goods for resale	-	2,860
	£ -	£ 2,860

6. Debtors

	1998 £	1997 £
Trade debtors	35,795	36,000
Amounts owed by group undertakings	-	467
Other debtors	45,446	45,446
	£ 81,241	£ 81,913

SILVER CLEF LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1998

7.	Creditors: amounts falling due within one year	1998 £	1997 £
	Trade creditors	114	4,000
	Other creditors	250,700	-
	Income tax	70,597	82,172
	Accruals and deferred income	2,821	2,500
		<u>£ 324,232</u>	<u>£ 88,672</u>

8.	Share capital	1998 £	1997 £
	<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 1998 this amounted to £321,297 (1997: £357,268).