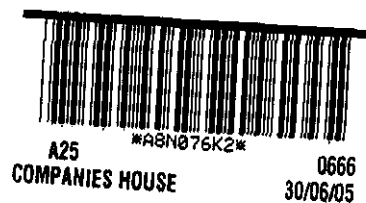


**Company number:
02749258 (ENGLAND & WALES)**

**ACCESS TO MUSIC LIMITED
ABBREVIATED STATUTORY FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004**

**MOORE STEPHENS
CHARTERED ACCOUNTANTS
RUTLAND HOUSE
MINERVA BUSINESS PARK
LYNCH WOOD
PETERBOROUGH
PE2 6PZ**



ACCESS TO MUSIC LIMITED

COMPANY INFORMATION

Company number: 02749258 (England & Wales)

Directors: Mr J Ridgeon
Ms L M Cummins

Secretary: Ms L M Cummins

Registered office: Lionel House
35 Millstone Lane
Leicester
Leics
LE1 5JN

Auditors: Moore Stephens
Chartered Accountants
Rutland House
Minerva Business Park
Lynch Wood
Peterborough
PE2 6PZ

Bankers: Barclays Bank Plc
Leicester Corporate Banking Centre
Barclays House
PO Box 1500
Dominus Way
Meridian Business Park
Leicester
LE3 2RN

Solicitors: Harvey Ingram Owston
20 New Walk
Leicester
LE1 6TX

ACCESS TO MUSIC LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

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INDEPENDENT AUDITORS' REPORT TO ACCESS TO MUSIC LIMITED

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985.

We have examined the abbreviated financial statements on pages 4 to 18 together with the full financial statements of Access To Music Limited for the year ended 31 August 2004, prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with Section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors


The directors are responsible for preparing the abbreviated financial statements in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246A(3) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full statutory financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246A(3) Companies Act 1985, and the abbreviated financial statements on pages 4 to 18 are properly prepared in accordance with those provisions.



**Moore Stephens
Registered Auditor
Chartered Accountants
Rutland House
Minerva Business Park
Lynch Wood
Peterborough**

29 June 05

ACCESS TO MUSIC LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2004

The directors present their report and the financial statements for the year ended 31 August 2004.

Principal activities

The principal activity of the company is the provision of music training and consultancy services.

There has not been any significant change in this activity during the year.

Review of business

The directors consider the profit achieved on ordinary activities before taxation to be satisfactory.

Future developments

At the year end, the company is in a strong position for future trading.

Donations

Political and charitable donations did not exceed £200 in the year.

Fixed assets

Changes in fixed assets during the year are set out in the notes to the financial statements.

Results and dividends

The directors recommend that a final dividend of £30,000 per share be paid on the shares in issue amounting to £60,000 (2003 - £195,000) and that the interim dividend of £54,000 per share amounting to £108,000 paid (2003 - £152,400) be confirmed.

Directors' interests

The directors of the company during the year and their respective family interests in the share capital of the company as recorded in the register of directors' interests were as follows:

	2004	2003
	No.	of shares
Mr J Ridgeon	1	1
Ms L M Cummins	1	1

No director has been granted a right to subscribe for additional shares or debentures.

The director retiring by rotation is Ms L M Cummins, who being eligible will offer herself for re-election at the forthcoming Annual General Meeting.

ACCESS TO MUSIC LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2004

Responsibilities of the directors

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the 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;

follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;

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.

Auditors

The auditors, Messrs Moore Stephens (Chartered Accountants) have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

On behalf of the board

L. M. Cummins

Ms L M Cummins

27/6/2005

Lionel House
35 Millstone Lane
Leicester
Leics
LE1 5JN

ACCESS TO MUSIC LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2004

	Note	2004 £	2003 £
Gross Profit		1,772,329	1,347,205
Administrative expenses		1,364,122	964,481
		<u>408,207</u>	<u>382,724</u>
Other operating income		10,437	7,848
Operating profit	2	<u>418,644</u>	<u>390,572</u>
Other interest receivable & similar income		24,118	16,182
Interest payable	5	(55,686)	(18,187)
Profit on ordinary activities before taxation		<u>387,076</u>	<u>388,567</u>
Tax on profit on ordinary activities	6	(131,335)	(125,758)
Profit for the financial year		<u>255,741</u>	<u>262,809</u>
Dividends	7	(168,000)	(347,400)
Retained profit/(loss) for the year		<u><u>87,741</u></u>	<u><u>(84,591)</u></u>

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 2004 therefore turnover and operating profit derive entirely from continued operations.

The company has no recognised gains or losses other than the profit for the financial year.

The annexed notes form part of these financial statements.

ACCESS TO MUSIC LIMITED
ABBREVIATED BALANCE SHEET
AT 31 AUGUST 2004

	Note	2004	2003
		£	£
Fixed assets			
Intangible assets	8	104,200	125,200
Tangible assets	9	773,308	602,600
		<u>877,508</u>	<u>727,800</u>
Current assets			
Stocks	10	15,375	15,000
Debtors	11	267,648	649,470
Cash at bank and in hand		1,317,703	803,499
		<u>1,600,726</u>	<u>1,467,969</u>
Creditors			
Amounts falling due within one year	12	1,531,177	1,485,583
Net current assets/(liabilities)		<u>69,549</u>	<u>(17,614)</u>
Total assets less current liabilities		<u>947,057</u>	<u>710,186</u>
Creditors			
Amounts falling due after more than one year	13	(366,971)	(217,841)
Net assets		<u>580,086</u>	<u>492,345</u>
Capital and reserves			
Called up share capital	15	2	2
Profit and loss account	16	580,084	492,343
Shareholders' funds	17	<u>580,086</u>	<u>492,345</u>

ACCESS TO MUSIC LIMITED
ABBREVIATED BALANCE SHEET
AT 31 AUGUST 2004

Advantage has been taken of the exemptions conferred by Section B of Part III of Schedule 8 to the Companies Act 1985 on the grounds that, in the opinion of the directors the company is entitled to the benefit of those exemptions as a medium-sized company.

Approved by the board of directors on 27/6/2005 and signed on its behalf.


Ms L M Cummins

The annexed notes form part of these financial statements.

ACCESS TO MUSIC LIMITED
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2004

	Note	2004 £	2003 £
Net cash inflow from operating activities	18	1,306,484	872,631
Returns on investments and servicing of finance	19	(31,568)	(2,005)
Taxation		(131,638)	(96,408)
Capital expenditure	19	(184,128)	(478,070)
Equity dividends paid		(303,000)	(199,800)
		<u>656,150</u>	<u>96,348</u>
Financing	19	(141,946)	81,001
Increase in cash		<u><u>514,204</u></u>	<u><u>177,349</u></u>

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

1. Accounting policies

These financial statements have been prepared under the historical cost convention.

Turnover

Turnover represents charges to external customers for services provided during the period, and is shown exclusive of Value Added Tax and trade discounts.

Depreciation of fixed assets

Depreciation has been computed to write off the cost of fixed assets over their expected useful lives at the following rates:-

Leasehold premises	over the period of the lease
Goodwill	8-10 years straight line
Asset under finance lease	over the period of the lease
Fixtures and fittings	5 years straight line
Office equipment	3 years straight line
Instruments	5 years straight line
Motor vehicles	25% per annum reducing balance

A full years depreciation is charged in the year of acquisition of an asset but none in the year of disposal.

Stocks

Stocks and work in progress are valued consistently at the lower of cost (on a first in, first out basis) or net realisable value. Cost, where appropriate, includes a proportion of directly attributable overheads.

Debtors

Debtors are shown after providing for any amounts which in the opinion of the directors may not be collected in full.

Deferred taxation

Deferred tax assets and liabilities have arisen from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. Full provision has been made to the extent to which it is considered more likely than not to become payable/recoverable in the foreseeable future and at the rate eventually expected to be charged.

Leasing

Leasing rentals payable on agreements which transfer substantially all the risk and rewards associated with ownership of the lessee ("finance leases") are capitalised within fixed assets, and the obligation to pay future rentals included in creditors as a liability. The interest charges implicit in such a lease are written off to the profit and loss account in proportion to the balance outstanding during the year.

All other leasing rentals ("operating leases") are written off to the profit and loss account as incurred.

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

Goodwill

Goodwill is the difference between the amount paid on the acquisition of a business and the aggregate fair value of its separable net assets. It is being written off in equal annual instalments over its estimated economic life.

Pension costs

The company operates a defined contribution pension scheme and pension contributions are charged to profit and loss account as they fall due.

Grants received

Grants related to capital expenditure on tangible assets are credited to the profit and loss account at the same rate as the depreciation on the assets to which the grants relate.

2. Operating profit

	2004	2003
	£	£
This is stated after charging:		
Directors' emoluments	211,685	208,919
Company contributions to money purchase schemes in relation to directors' pensions	29,417	41,374
	<hr/>	<hr/>
Total directors' emoluments	241,102	250,293
Auditors' remuneration	13,000	14,000
Depreciation and amortisation of owned assets	241,463	191,930
Depreciation of assets held under finance leases and hire purchase contracts	156,719	64,147
Pension costs	14,907	11,387
	<hr/> <hr/>	<hr/> <hr/>

3. Directors' remuneration

	2004	2003
	£	£
The remuneration of the highest paid director (excluding pension contributions) was		
Emoluments	109,600	108,400
	<hr/> <hr/>	<hr/> <hr/>

2 (2003 - 2) directors are accruing benefits under a money purchase scheme.

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

4. Staff costs

The average number of persons employed by the company, including directors, during the year was as follows:

	2004	2003
Management	6	6
Administration	6	7
Tutors	197	157
	<u>209</u>	<u>170</u>

The aggregate payroll costs of these persons were as follows:

	2004 £	2003 £
Wages and salaries	464,118	392,553
Social security	25,668	24,479
Other pension costs	44,324	52,761
	<u>534,110</u>	<u>469,793</u>

5. Interest payable

	2004 £	2003 £
Interest payable - bank loans and overdraft and other loans repayable within five years	9,227	5,527
Finance charges payable - finance leases and hire purchase contracts	46,459	12,660
	<u>55,686</u>	<u>18,187</u>

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

6. Taxation on profit on ordinary activities

	2004 £	2003 £
Analysis of charge in period		
Current tax:		
UK corporation tax on profits of the period	130,632	125,757
Adjustments in respect of previous period	5,881	1
Total current tax	<u>136,513</u>	<u>125,758</u>
Deferred tax:		
Origination and reversal of timing differences	(5,178)	-
Tax on profit on ordinary activities	<u><u>131,335</u></u>	<u><u>125,758</u></u>

Factors affecting tax charge for year

The tax assessed for the year differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before tax	<u>387,076</u>	<u>388,567</u>
Standard UK corporation tax rate:	30.00 %	30.00 %
Profit/(loss) on ordinary activities multiplied by standard UK corporation tax rate:	116,123	116,570
Effects of:		
Expenses not deductible for tax purposes	5,250	46,316
Capital allowances in excess of depreciation	43,576	(2,403)
Grant income	(7,500)	(7,500)
Adjustments in respect of previous period	5,881	1
Marginal relief	(26,817)	(27,226)
Current tax charge for the year	<u><u>136,513</u></u>	<u><u>125,758</u></u>

7. Dividends

	2004 £	2003 £
Dividends paid	108,000	152,400
Dividends proposed	60,000	195,000
	<u><u>168,000</u></u>	<u><u>347,400</u></u>

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

8. Intangible Fixed Assets

	Lease Premium £	Goodwill £	Total £
Cost:			
At 1 September 2003	28,000	171,200	199,200
At 31 August 2004	28,000	171,200	199,200
Amortisation:			
At 1 September 2003	7,000	67,000	74,000
Charge for the Year	3,500	17,500	21,000
At 31 August 2004	10,500	84,500	95,000
Net Book Value:			
At 31 August 2004	17,500	86,700	104,200
At 31 August 2003	21,000	104,200	125,200

9. Tangible fixed assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost:					
At 1 September 2003	535,429	191,870	191,051	54,194	972,544
Additions	139,160	10,272	362,017	63,640	575,089
Disposals	-	-	-	(48,354)	(48,354)
At 31 August 2004	674,589	202,142	553,068	69,480	1,499,279
Depreciation:					
At 1 September 2003	141,710	71,320	131,767	25,147	369,944
Charge for the year	153,449	55,837	151,524	16,372	377,182
On disposals	-	-	-	(21,155)	(21,155)
At 31 August 2004	295,159	127,157	283,291	20,364	725,971
Net book value:					
At 31 August 2004	379,430	74,985	269,777	49,116	773,308
At 31 August 2003	393,719	120,550	59,284	29,047	602,600

Included within land and buildings are short leasehold improvements with a net book value of £379,430.

Included within plant and machinery and fixtures and fittings are assets with a net book value of £317,847 which are held under finance leases and hire purchase contracts.

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

10. Stocks

	2004	2003
	£	£
Work in progress	15,375	15,000
	<u>15,375</u>	<u>15,000</u>

11. Debtors

	2004	2003
	£	£
Due within one year:		
Trade debtors	192,594	597,072
Deferred taxation recoverable	5,178	-
Prepayments	52,376	34,898
	<u>250,148</u>	<u>631,970</u>
Due after one year:		
Amounts owed by undertakings in which		
Prepayments	17,500	17,500
	<u>267,648</u>	<u>649,470</u>

12. Creditors - amounts falling due within one year

	2004	2003
	£	£
Bank loans	11,875	11,222
Trade creditors	77,152	40,079
Corporation tax	130,632	125,757
Other taxes and social security	111,693	105,838
Obligations under finance leases and		
hire purchase contracts	154,823	59,704
Accruals and deferred income	985,002	947,983
Proposed dividend	60,000	195,000
	<u>1,531,177</u>	<u>1,485,583</u>

Of the creditors falling due within one year £154,823 is secured.

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

13. Creditors - amounts falling due after more than one year

	2004	2003
	£	£
Bank loan accounts	119,362	131,348
Directors current accounts	1,111	224
Obligations under finance leases and hire purchase contracts	221,498	86,269
Accruals and deferred income	25,000	-
	<u>366,971</u>	<u>217,841</u>

Of the creditors falling due after more than one year £221,498 is secured.

The bank loans fall due as follows:-

	£
Repayable between one and two years	12,978
Repayable between two and five years	62,942
Repayable in five years or more	43,442
	<u>119,362</u>

All the aforementioned bank loans are unsecured and are repayable by annual instalments with an interest rate of 6.55%.

The finance lease and hire purchase creditors fall due as follows:-

	£
Repayable between one and two years	130,315
Repayable between two and five years	91,183
	<u>221,498</u>

Finance lease and hire purchase creditors are secured on the assets concerned.

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

14. Provisions for liabilities and charges

	Deferred taxation			
	£			
Utilised for the year in profit and loss account				(5,178)
Balance at 31 August 2004				<u>(5,178)</u>
	Provided		Maximum potential liability	
	2004	2003	2004	2003
	£	£	£	£
Accelerated capital allowances	(5,178)	-	(5,178)	2,403
	<u>(5,178)</u>	<u>-</u>	<u>(5,178)</u>	<u>2,403</u>
	<u><u>(5,178)</u></u>	<u><u>-</u></u>	<u><u>(5,178)</u></u>	<u><u>2,403</u></u>

The net deferred tax asset has been included with debtor balances.

15. Share capital

	2004	2003
	£	£
Authorised		
Ordinary shares of £1 each	100	100
	<u>100</u>	<u>100</u>
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	2	2
	<u>2</u>	<u>2</u>

16. Profit and loss account

	2004
	£
Balance at 1 September 2003	492,343
Profit retained for the year	87,741
Balance at 31 August 2004	<u><u>580,084</u></u>

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

17. Reconciliation of movements in shareholders' funds

	2004 £	2003 £
Profit for the financial year	255,741	262,809
Dividends	168,000	347,400
	<hr/>	<hr/>
Retained profit/(loss) for the year	87,741	(84,591)
Shareholders' funds at 1 September 2003	492,345	576,936
	<hr/>	<hr/>
Shareholders' funds at 31 August 2004	580,086	492,345
	<hr/> <hr/>	<hr/> <hr/>

**18. Reconciliation of operating profit
to net cash inflow from operating activities**

	2004 £	2003 £
Operating profit	418,644	390,572
Depreciation charges	377,182	235,077
Amortisation	21,000	21,000
Profit on sale of tangible fixed assets	(2,801)	(25,000)
Increase in stocks	(375)	(562)
Decrease/(Increase) in debtors	387,000	(384,433)
Increase in creditors	105,834	635,977
	<hr/>	<hr/>
Net cash flow from operating activities	1,306,484	872,631
	<hr/> <hr/>	<hr/> <hr/>

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

19. Gross cash flows

	2004 £	2004 £	2003 £
Returns on investments and servicing of finance			
Interest received	24,118		16,182
Interest paid	(9,227)		(5,527)
Interest element of finance lease rental payments	(46,459)		(12,660)
	<u> </u>	(31,568)	<u> </u>
		<u> </u>	<u> </u>
Capital expenditure			
Payments to acquire tangible fixed assets	(214,128)		(478,070)
Receipts from fixed asset disposals	30,000		-
	<u> </u>	(184,128)	<u> </u>
		<u> </u>	<u> </u>
Financing			
New loans	-		150,000
Repayment of loans	(11,333)		(7,430)
Capital element of finance lease rental repayments	(130,613)		(61,569)
	<u> </u>	(141,946)	<u> </u>
		<u> </u>	<u> </u>

20. Reconciliation of net cash flow to movement in net debt

	2004 £	2004 £	2003 £
Increase in cash in the year	514,204		177,348
Cash outflow from decrease in debt and lease financing	141,946		(187,880)
	<u> </u>		<u> </u>
Change in net funds resulting from cash flows		656,150	(10,532)
New finance leases	360,961		58,355
	<u> </u>	(360,961)	<u> </u>
		<u> </u>	<u> </u>
Movement in net funds in the year		295,189	(68,887)
Net funds at 1 September 2003		514,956	583,843
		<u> </u>	<u> </u>
Net funds at 31 August 2004		810,145	514,956
		<u> </u>	<u> </u>

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

21. Analysis of net fund

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Net cash:				
Cash at bank	797,763	517,826	-	1,315,589
Cash in hand	5,736	(3,622)	-	2,114
	<u>803,499</u>	<u>514,204</u>	<u>-</u>	<u>1,317,703</u>
Debts due within one year:				
Bank loans	(11,222)	11,333	(11,986)	(11,875)
Finance leases	(59,704)	130,613	(225,732)	(154,823)
	<u>(70,926)</u>	<u>141,946</u>	<u>(237,718)</u>	<u>(166,698)</u>
Debts due after one year:				
Bank loans	(131,348)	-	11,986	(119,362)
Finance leases	(86,269)	-	(135,229)	(221,498)
	<u>(217,617)</u>	<u>-</u>	<u>(123,243)</u>	<u>(340,860)</u>
Net fund/(debt)	<u>514,956</u>	<u>656,150</u>	<u>(360,961)</u>	<u>810,145</u>

22. Leasing commitments

At 31 August 2004 the company had annual commitments under non-cancellable operating leases as detailed below:

	Land and buildings 2004 £	Land and buildings 2003 £
Operating leases which expire:		
Within one year	47,000	34,257
Between one and five years	99,826	98,174
After five years	126,500	90,902
	<u>273,326</u>	<u>223,333</u>

23. Pension costs

The company operates a defined contribution pension scheme and the amount charged to the profit and loss account is £42,159 (2003 - £50,491).

ACCESS TO MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2004

24. Transactions with directors and officers

During the year, an amount of £14,175 (2003 - £14,175) was paid to Mr J Ridgeon and Ms L M Cummins in respect of rent relating to office premises owned by them.

25. Ultimate controlling party

The company is under the control of the directors. There is no one overall controlling party.