

**SILVER CLEF PRODUCTIONS LIMITED
DIRECTORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER 2002**



Company No. 2796952



MacIntyre Hudson

THE FUTURE IS WHAT YOU MAKE IT®

SILVER CLEF PRODUCTIONS LIMITED

COMPANY INFORMATION

Directors

S G Alder
W W Robertson
J G Whitehouse
M.D. Miller

Secretary

J G Whitehouse

Company number

2796952

Registered office

2 Lissenden Gardens
London
NW5 1PP

Auditors

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

SILVER CLEF PRODUCTIONS LIMITED

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SILVER CLEF PRODUCTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2002

The directors present their report and the audited accounts for the company for the year ended 31st December 2002.

Principal activities and review of business

The company's principal activities are concert production and the selling of rights, in video and albums, on behalf of its parent company, Nordoff-Robbins Music Therapy, a charity.

The company's surplus income is distributed by Gift Aid to benefit Nordoff-Robbins Music Therapy.

Results and dividends

The results for the year are set out in the profit and loss account on page 4.

Directors and their interests

The directors who served during the year were:

S G Alder
A C Miller - resigned 20 May 2002
W W Robertson
J G Whitehouse
M.D. Miller

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

Statement of directors' responsibilities

Company law requires the directors to prepare accounts 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 for that year. In preparing those accounts 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 accounts;

Prepare the accounts 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 enable them to ensure that the accounts 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.

SILVER CLEF PRODUCTIONS LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 2002

Auditors

A resolution to re-appoint MacIntyre Hudson Chartered Accountants and Registered Auditors as auditors will be put to the members at the Annual General Meeting.

By order of the Board



J G Whitehouse

Director

2 Lissenden Gardens

London

NW5 1PP

Date: 1 July 03

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF SILVER CLEF PRODUCTIONS LIMITED

We have audited the accounts of Silver Clef Productions Limited for the year ended 31st December 2002 on pages 4 to 8. These accounts have been prepared under the historical cost convention and the accounting policies set out on page 6.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an 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 and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts 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 accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the other information contained in the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

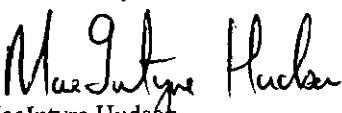
Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31st December 2002 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 and Registered Auditors
Greenwood House
4/7 Salisbury Court
London
EC4Y 8BT

2 July 2003

SILVER CLEF PRODUCTIONS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 2002

	Notes	2002 £	2001 £
Turnover	2	63,845	99,336
Cost of sales		(20,445)	(372,054)
Gross profit/loss		43,400	(272,718)
Administrative expenses		(23,115)	(19,569)
Operating profit/loss	3	20,285	(292,287)
Other exceptional items	5	287,443	-
		307,728	(292,287)
Interest receivable		271	60
Profit/Loss on ordinary activities before taxation		307,999	(292,227)
Tax on profit/loss on ordinary activities		-	-
Profit/Loss for the financial year		307,999	(292,227)
Retained loss brought forward		(307,999)	(15,772)
Retained loss carried forward		-	(307,999)

All amounts relate to continuing activities.

There were no recognised gains or losses for 2002 or 2001 other than those included in the profit and loss account.

SILVER CLEF PRODUCTIONS LIMITED

BALANCE SHEET

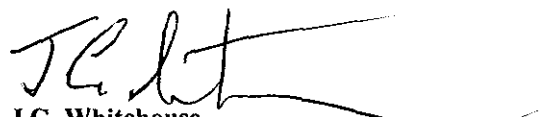
AS AT 31ST DECEMBER 2002

	Notes	£	2002 £	£	2001 £
Fixed assets					
Tangible assets	6		-		713
			-		713
Current assets					
Debtors	7	33,214		94,587	
Cash at bank and in hand		3,210		-	
		36,424		94,587	
Creditors: amounts falling due within one year	8	(36,324)		(403,199)	
Net current assets/liabilities			100		(308,612)
Total assets less current liabilities			100		(307,899)
Capital and reserves					
Share capital	9		100		100
Profit and loss account			-		(307,999)
Shareholders' funds	10		100		(307,899)

These accounts were approved by the board on

1 July 03.

and signed on its behalf by:


J G Whitehouse
Director

SILVER CLEF PRODUCTIONS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

1 Accounting policies

Basis of accounting

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

Cash flow statement

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover arises from the sale of concert tickets and video and album rights worldwide. Sales are recorded net of Value Added Tax.

Tangible fixed assets and depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Fixtures and fittings	25 % Straight line
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2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating profit

The operating profit is stated after charging or crediting:

	2002	2001
	£	£
Depreciation of tangible fixed assets:		
-owned assets	-	407
Loss on disposal of fixed assets	913	-
Auditors' remuneration	2,500	2,500
	<u>2,500</u>	<u>2,500</u>

4 Directors and employees

	2002	2001
	£	£
Wages and salaries	15,000	-
Social security costs	1,650	-
	<u>16,650</u>	<u>-</u>

SILVER CLEF PRODUCTIONS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

Directors' emoluments

	2002	2001
	£	£
Aggregate emoluments	15,000	-
	<u>15,000</u>	<u>-</u>

Apart from the directors there were no employees during 2002 or 2001.

5 Exceptional items

	2002	2001
	£	£
Other exceptional items	287,443	-
	<u>287,443</u>	<u>-</u>

This amount represents an intercompany loan waiver by the parent company Nordoff-Robbins Music Therapy.

6 Tangible fixed assets

	Fixtures and fittings	Total
	£	£
Cost		
At 1st January 2002	1,626	1,626
Additions	200	200
Disposals	(1,826)	(1,826)
At 31st December 2002	<u>-</u>	<u>-</u>
Depreciation		
At 1st January 2002	913	913
Disposals	(913)	(913)
At 31st December 2002	<u>-</u>	<u>-</u>
Net book value		
At 31st December 2002	<u>-</u>	<u>-</u>
At 31st December 2001	<u>713</u>	<u>713</u>

7 Debtors

	2002	2001
	£	£
Other debtors	6,569	8,828
Prepayments and accrued income	26,645	85,759
	<u>33,214</u>	<u>94,587</u>

SILVER CLEF PRODUCTIONS LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2002

8	Creditors: amounts falling due within one year	2002 £	2001 £
	Bank loans and overdrafts	-	4,433
	Amounts owed to group undertakings	33,824	396,266
	Accruals and deferred income	2,500	2,500
		<u>36,324</u>	<u>403,199</u>

The bank overdraft facilities are secured by a fixed and floating charge over all the company's assets.

9	Share capital	2002 £	2001 £
	Authorised Equity shares 1,000 Ordinary shares of £1.00 each	<u>1,000</u>	<u>1,000</u>
	Allotted Equity shares 100 Allotted, called up and fully paid ordinary shares of £1.00 each	<u>100</u>	<u>100</u>
		<u>100</u>	<u>100</u>

10	Reconciliation of movement in shareholders' funds	2002 £	2001 £
	Profit/Loss for the financial year	307,999	(292,227)
	Increase in the shareholders' funds	307,999	(292,227)
	Opening shareholders' funds	(307,899)	(15,672)
	Closing shareholders' funds	<u>100</u>	<u>(307,899)</u>

11 Related parties

The ultimate holding company and controlling party is Nordoff-Robbins Music Therapy, a registered charity limited by guarantee and incorporated in England. During the year a loan waiver of £287,443 was provided by the parent company as disclosed in note 5. At the year end £33,824 (2001: £396,266) is due to Nordoff-Robbins Music Therapy and is included in creditors.

During the year the company paid £nil (2001: £500) to Andrew Miller Promotions (International) Limited, a company controlled by A Miller, a director of the company.