

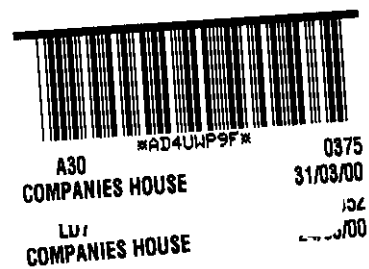
COMPANY NUMBER: 02816864

RADIOHEAD LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST MAY 1999



RADIOHEAD LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MAY 1999

Page No.

1	Directors Report
2	Profit and Loss Account
3	Balance Sheet
4 - 6	Notes to the Financial Statements

RADIOHEAD LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31ST MAY 1999

The directors present herewith their annual report together with the unaudited financial statements of the company for the year ended 31st May 1999.

PRINCIPAL ACTIVITY

The company's principal activity during the year was the provision of live performances.

DIRECTORS' AND THEIR INTERESTS

The directors of the company during the year and their interest in the share capital of the company at the beginning and end of the year are as follows:-

	Ordinary Shares of £1 each	
	1st June 1998	31st May 1999
Mr C Greenwood(resigned 1.2.99)	1	1
Mr P Selway(resigned 1.2.99)	1	1
Mr E O'Brien	1	1
Mr T Yorke	1	1
Mr J Greenwood	1	1

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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 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.

BASIS OF PREPARATION

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board of Directors


Mr E O'Brien
Director

Approved by the Board

23 March 2000

RADIOHEAD LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MAY 1999

	<u>Notes</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
TURNOVER	2	58,358	2,113,443
Administrative expenses		(180,489)	(1,516,117)
OPERATING (LOSS)/PROFIT	3	(122,131)	597,326
Interest receivable		5,144	7,963
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(116,987)	605,289
Tax on ordinary activities		-	(54,411)
RETAINED (LOSS)/PROFIT FOR THE YEAR		(116,987)	550,878
Retained (deficit) brought forward		(53,814)	(604,692)
RETAINED (DEFICIT) CARRIED FORWARD		(170,801)	(53,814)

The notes on pages 4 to 6 form part of these financial statements.

RADIOHEAD LIMITED

BALANCE SHEET AS AT 31ST MAY 1999

	<u>Notes</u>	<u>1999</u> <u>£</u>	<u>1998</u> <u>£</u>
FIXED ASSETS			
Tangible assets	4	-	-
CURRENT ASSETS			
Debtors	5	190,698	465,320
Cash at bank and in hand		18,493	2,156
		<u>209,191</u>	<u>467,476</u>
CREDITORS - amounts falling due within one year	6	(379,987)	(521,285)
NET CURRENT LIABILITIES		<u>(170,796)</u>	<u>(53,809)</u>
NET (LIABILITIES)		<u>(170,796)</u>	<u>(53,809)</u>

Represented by:

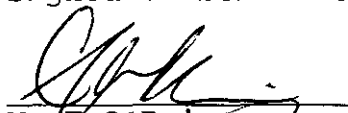
CAPITAL AND RESERVES

Called up share capital	7	5	5
Profit and loss account		(170,801)	(53,814)
		<u>(170,796)</u>	<u>(53,809)</u>

REDUCED DISCLOSURE ALLOWED FOR SMALL COMPANIES

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

Signed on behalf of the Board of Directors


Mr E O'Brien
Director


Mr T Yorke
Director


Mr J Greenwood
Director

EXEMPTION FROM AUDIT

The directors confirm:

- for the year ended 31 May 1999 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.
- no notice from members requiring an audit has been deposited under section 249B(2)
- and acknowledge their responsibility for-
 - ensuring the company keeps accounting records which comply with section 221
 - preparing accounts which give a true and fair view of the state of affairs of the company as at the end of its financial year, and of its profit and loss for the financial year in accordance with section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

Approved by the Board 23 March 2000

The notes on pages 4 to 6 form part of these financial statements.

RADIOHEAD LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31ST MAY 1999

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's financial statements.

1.1 Basis of accounting

These financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standards for Smaller Entities.

1.2 Going Concern

The financial statements have been prepared on a going concern basis on the grounds that the partners of Radiohead, who are also directors and shareholders of the company, have given their assurance that they will continue to support the company and that the debt of £303,365 due by Radiohead Ltd will not be called upon until the company has adequate funds.

1.3 Turnover

This represents the total amount earned by the company in respect of touring, live performances, and other related activities excluding value added tax, which are accounted for on the basis of the earlier of the due date and the date of receipt.

2. TURNOVER

An analysis of the company's turnover by geographic markets other than the U.K. was:

	<u>1999</u> %	<u>1998</u> %
EC	20.28	37.98
Rest of the World	20.48	21.93

3. OPERATING (LOSS) / PROFIT

This is stated after charging:

	<u>1999</u> £	<u>1998</u> £
Auditors' remuneration	-	1,500

RADIOHEAD LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1999

4. TANGIBLE FIXED ASSETS

	<u>Equipment</u>
	£
Cost:	
At 1st June 1998	-
Additions	5,191
Disposals	(5,191)
	<hr/>
At 31st May 1999	-
	<hr/>

5. DEBTORS

	<u>1999</u>	<u>1998</u>
	£	£
Trade debtors	-	33,912
Other debtors	190,698	431,408
	<hr/>	<hr/>
	190,698	465,320
	<hr/>	<hr/>

**6. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR**

	<u>1999</u>	<u>1998</u>
	£	£
Trade creditors	-	8,057
Other taxes and social security costs	1,237	815
Other creditors	378,750	512,413
	<hr/>	<hr/>
	379,987	521,285
	<hr/>	<hr/>

7. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and fully paid</u>	
		<u>1999</u>	<u>1998</u>
		£	£
5 Ordinary shares of £1 each	100	5	5
	<hr/>	<hr/>	<hr/>

RADIOHEAD LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MAY 1999

8. RELATED PARTY TRANSACTIONS

The company is indebted to Radiohead Partnership to the sum of £303,365 in respect of monies paid out on behalf of Radiohead Ltd together with an amount in respect of services provided by Radiohead Partnership, which has been charged at commercial rates. The amount due to Radiohead Partnership is interest free and repayable when the company has adequate funds.

An amount is due from Radiohead Inc of £157,060, a company incorporated in the United States and under the control of the directors of this company. The amount is due on demand and relates to expenses paid on behalf of Radiohead Inc.