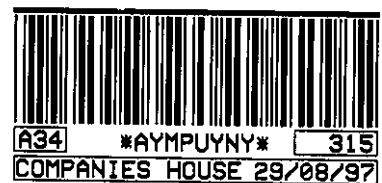


MBF TRADING LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31ST MARCH 1997

(Company number: 3053538)



HAYS ALLAN
CHARTERED ACCOUNTANTS

MBF TRADING LIMITED

REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 31ST MARCH 1997

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MBF TRADING LIMITED

DIRECTORS' REPORT

YEAR ENDED 31ST MARCH 1997

The directors present their annual report together with the audited financial statements for the year ended 31st March 1997.

RESULTS AND DIVIDENDS

A profit of £7,292 (1996: £6,206) was made during the year, before paying a deed of covenant.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The principal activity of the company is the sale of charity Christmas cards.

A summary of the results of the period's trading is given on page 3 of the financial statements.

The directors are confident about the future prospects of the company.

DIRECTORS

The directors of the company during the period and their shareholdings were:-

	Shareholding at 31st March 1997	Shareholding at 31st March 1996
Andrew William Murdoch	-	-
Helen Faulkner	1	1


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 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.

BY ORDER OF THE BOARD


H. Faulkner
Secretary

23rd July 1997

AUDITORS' REPORT TO THE MEMBERS OF

MBF TRADING LIMITED

We have audited the financial statements on pages 3 to 6 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of 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.

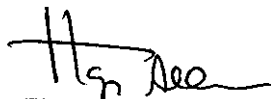
Basis of opinion

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 the 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 or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 1997 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hays Allan
Chartered Accountants
Registered Auditors

Southampton House
317 High Holborn
London
WC1V 7NL

23rd July 1997

MBF TRADING LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST MARCH 1997**

	Notes	1997 £	1996 £
TURNOVER	1	46,644	48,056
Cost of sales	3	(23,711)	(32,568)
Gross profit		<u>22,933</u>	<u>15,488</u>
Other income		672	102
Administration expenses	4	(16,313)	(9,384)
		<u>7,292</u>	<u>6,206</u>
Paid/payable under deed of covenant		(7,292)	(6,250)
		<u>-</u>	<u>(44)</u>
PROFIT/(LOSS) FOR THE FINANCIAL YEAR		-	(44)
BALANCE BROUGHT FORWARD		(44)	-
		<u>-</u>	<u>-</u>
BALANCE CARRIED FORWARD		<u>£(44)</u>	<u>£(44)</u>

MBF TRADING LIMITED**BALANCE SHEET****AS AT 31ST MARCH 1997**

	Notes	1997 £	1996 £
FIXED ASSETS	2	1,114	-
CURRENT ASSETS			
Stock		4,773	2,044
Debtors	5	1,904	420
Cash at bank and in hand		25,003	25,878
		<u>32,794</u>	<u>28,342</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(7,838)	(3,386)
NET CURRENT ASSETS		<u>£24,956</u>	<u>£24,956</u>
CAPITAL AND RESERVES			
Called up share capital	7	25,000	25,000
Profit and loss account		(44)	(44)
EQUITY SHAREHOLDERS' FUNDS		<u>£24,956</u>	<u>£24,956</u>

Approved by the board of Directors on 23rd July 1997 and signed on their behalf by:-



Andrew William Murdoch - Director

MBF TRADING LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST MARCH 1997**

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.

(a) Accounting basis

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

(b) Turnover

Turnover represents amounts invoiced by the company in respect of services sold during the year.

(c) Depreciation

Fixed assets are written off over four years on a straight line basis.

2. TANGIBLE FIXED ASSETS**Cost or valuation**

Balance at 31st March 1996

Additions

Balance at 31st March 1997

Accumulated depreciation

Balance at 31st March 1996

Charge for year

Balance at 31st March 1997

Net Book Value

At 31st March 1997

At 31st March 1996

**Computer
Equipment
£**

-

1,485

1,485

-

371

371£1,114£ -**3. COST OF SALES****1997
£****1996
£**

Cost of cards

22,502

26,643

Service charges and commissions

1,058

3,619

Postage

151

2,306

£23,711£32,568

MBF TRADING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

YEAR ENDED 31ST MARCH 1997

4. ADMINISTRATION EXPENSES	1997	1996
	£	£
Accounting and general administration (including auditors' remuneration £600)	£16,313	£9,384
	<u> </u>	<u> </u>
5. DEBTORS		
Trade debtors	1,193	420
Prepayments	711	-
	<u>£1,904</u>	<u>£420</u>
	<u> </u>	<u> </u>
6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Deed of covenant	2,792	-
Trade creditors	2,742	-
Taxation	1,080	1,563
Accruals	1,100	1,343
VAT	98	480
Due to parent undertaking	26	-
	<u>£7,838</u>	<u>£3,386</u>
	<u> </u>	<u> </u>

Under an agreement with the parent undertaking, the company must pay interest at a rate of 1% per annum above interbank lending rate on all charges not paid within one month of invoice date.

7. CALLED UP SHARE CAPITAL	1997	1996
	£	£
Authorised:		
25,000 ordinary shares of £1 each	£25,000	£25,000
	<u> </u>	<u> </u>
Allotted, issued and fully paid;		
25,000 ordinary shares of £1 each	£25,000	£25,000
	<u> </u>	<u> </u>

8. PARENT UNDERTAKING

The Company is a wholly owned subsidiary of Musicians Benevolent Fund, a company limited by guarantee registered in England and a registered charity No. 228089.