

Company No: 4427836

Law 2375 Limited

Annual Report

Period ended 31 December 2002



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LAW 2375 LIMITED

COMPANY INFORMATION

Directors	N P B Sims W B Speirs G R Power
Secretary	N P B Sims
Registered office	C/o Premier Percussion Limited Blaby Road Wigston Leicester LE18 4DF
Registered number	4427836
Auditors	RSM Robson Rhodes LLP Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU
Bankers	Bank of Scotland 55 Temple Row Birmingham B2 5LS

LAW 2375 LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the period ended 31 December 2002.

Principal activity

The principal activity of the company is that of a holding company.

Business review and future developments

The company acquired all of the issued share capital of Premier Percussion Limited on 17 October 2002. This was achieved by a combination of the Premier Percussion Limited shareholders selling their existing shareholdings at a nominal value and exchanging their holdings for new shareholdings in Law 2375 Limited.

The company also acquired the share capital of Law 2383 Limited.

The company has not traded during the period to date.

Incorporation and share capital

The company was incorporated on 30 April 2002 as Law 2375 Limited. The nominal share capital was 1,000 ordinary shares of £1 each. 1 ordinary share of £1 was allocated on incorporation.

On 15 October 2002, the company passed a special resolution decreasing the company's authorised shared capital to 100 through the cancellation of 900 unissued ordinary shares of £1 each. On the same date, the authorised share capital was subdivided into 10,000 ordinary shares of £0.01 each, being 100 such shares for every existing ordinary share of £1.

On 17 October 2002, 3,300 ordinary £0.01 shares were issued, the consideration forming 580,000 ordinary £0.05 shares, 575,000 "A" preference shares and £350,000 of secured loan notes 2005 in the capital of Premier Percussion Limited. The fair value of this consideration is assessed as the par value of the shares issued.

Dividends

The Directors do not recommend the payment of a dividend for the period.

Directors

The present directors of the company are set out on page 1. The directors who served during the period are as follows:

	Date of appointment	Date of resignation
Huntsmoor Limited	30 April 2002	25 September 2002
Huntsmoor Nominees Limited	30 April 2002	25 September 2002
N P B Sims	25 September 2002	-
W B Speirs	25 September 2002	-
G R Power	25 September 2002	-

Those directors serving at the end of the period had interests in the share capital of the company at 31 December as follows:

	Ordinary shares of £0.01 each 2002 No.
N P B Sims	1,800
W B Speirs	1,800
G R Power	-

REPORT OF THE DIRECTORS (continued)

Statement of directors' responsibilities for the Annual Report

Company law in the United Kingdom 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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable United Kingdom accounting standards; and
- prepared the financial statements on the going concern basis.

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 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.

The directors are responsible for ensuring that the directors' report and other information included in the Annual Report is prepared in accordance with company law in the United Kingdom.

Auditors

RSM Robson Rhodes LLP were appointed as first auditors of the company and, being eligible, are willing to continue in office. A resolution to re-appoint them will be proposed at the forthcoming Annual General Meeting.

Approval

The report of the directors was approved by the Board on 10 November 2004 and signed on its behalf by:



N P B SIMS
Secretary

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF LAW 2375 LIMITED

We have audited the financial statements on pages 5 to 9.

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

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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

We report to you our opinion as to whether the financial statements 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 financial statements, 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 information contained in the Annual Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any information outside the Annual Report.

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 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 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 affairs of the company as at 31 December 2002 and of the loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



RSM Robson Rhodes LLP
Chartered Accountants and Registered Auditors
Birmingham, England
10 November 2004

LAW 2375 LIMITED

PROFIT AND LOSS ACCOUNT
For the period ended 31 December 2002

	Note	Period ended 31 December 2002 £
Turnover		-
Cost of sales		-
		<hr/>
Gross profit		-
Administrative expenses		(34)
		<hr/>
Operating loss	2	(34)
Interest payable		-
		<hr/>
Loss for the period before taxation		(34)
Taxation		-
		<hr/>
Loss for the period	6	(34)
		<hr/> <hr/>

There were no recognised gains or losses other than those specified above.

LAW 2375 LIMITED

BALANCE SHEET
at 31 December 2002

	Note	2002 £
Fixed assets		
Investment in subsidiary undertakings	3	-
		<hr/>
Current assets		
Cash in hand		49
Creditors: Amounts falling due within one year		-
		<hr/>
Net current assets		49
		<hr/>
Total assets less current liabilities		49
Creditors: Amounts falling due within one year		-
		<hr/>
Net assets		49
		<hr/>
Capital and reserves		
Share capital	4	51
Share premium	5	32
Profit and loss account	6	(34)
		<hr/>
Shareholders funds	7	49
		<hr/>

The financial statements were approved by the Board on 10 November 2004 and signed on their behalf by:



N P B SIMS
Director

NOTES TO THE FINANCIAL STATEMENTS**31 December 2002****1. ACCOUNTING POLICY****Basis of accounting**

The accounts are prepared in accordance with applicable accounting standards under the historical cost convention.

Investments

Investments in subsidiaries and participating interests are stated at cost less provision for impairment where necessary to reduce book value to recoverable amount. Cost is purchase price including acquisition expenses, but excluding any payment for accrued interest or fixed dividend entitlement.

Investment income is recognised on a receivable basis. Dividend income on UK investments is recorded net of tax credits.

2. OPERATING LOSS

Operating loss is arrived at after charging:

**Period ended
31 December
2002
£**

Impairment provision against investment in subsidiaries	34
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3. INVESTMENTS IN GROUP UNDERTAKINGS

£

Cost

Acquisition of subsidiary undertakings	34
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At 31 December 2002	34
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Impairment

Charge for the period	34
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At 31 December 2002	34
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Net book value

At 31 December 2002	NIL
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NOTES TO THE FINANCIAL STATEMENTS
31 December 2002

3. INVESTMENTS IN GROUP UNDERTAKINGS (continued)

Principal trading subsidiaries	Interest in ordinary shares and voting rights	Country of incorporation	Principal activity
Premier Percussion Limited	100%	England and Wales	The manufacture and distribution of musical percussion instruments.
Law 2383 Limited	100%	England and Wales	Dormant

Premier Percussion Limited made a loss after tax for the year ended 31 December 2002 of £3,639,000 and at that date had net liabilities of £5,819,000.

Law 2383 Limited made a loss after tax for the period ended 31 December 2002 of £5,060,603 and at that date had net liabilities of £5,060,602.

4. SHARE CAPITAL

	2002 £
Authorised	
10,000 ordinary shares of £0.01 each	100
Allotted, called up and fully paid	
5,100 ordinary shares of £0.01 each	51

1 ordinary share of £1 was allocated on incorporation.

On 15 October 2002, the company passed a special resolution decreasing the company's authorised shared capital to 100 through the cancellation of 900 unissued ordinary shares of £1 each. On the same date, the authorised share capital was subdivided into 10,000 ordinary shares of £0.01 each, being 100 such shares for every existing ordinary share of £1.

On 17 October 2002, 3,300 ordinary £0.01 shares were issued, the consideration forming 580,000 ordinary £0.05 shares, 575,000 "A" preference shares and £350,000 of secured loan notes 2005 in the capital of Premier Percussion Limited. The fair value of this consideration is assessed as the par value of the shares issued.

5. SHARE PREMIUM

	2002 £
On share issues in period	32

LAW 2375 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
31 December 2002

6. PROFIT AND LOSS ACCOUNT

	2002 £
Loss for the period	34

7. SHAREHOLDERS' FUNDS

	2002 £
Issue of shares	83
Loss for the period	(34)
Balance at 31 December 2002	49