

Reg. No 682637

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED
ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2000



BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

ANNUAL REPORT

FOR THE YEAR ENDED 31 DECEMBER 2000

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BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and the financial statements for the year ended 31 December 2000.

ACTIVITIES

The principal activity remained unchanged throughout the year and continues to be the publication and distribution of sheet music and related activities.

REVIEW OF THE YEAR AND FUTURE PROSPECTS

Boosey & Hawkes confirmed its position as the world's leading publisher of contemporary classical music. Turnover increased by 6.3% from £14.1m to £15.0m, with sales growth across all sectors of the publishing portfolio.

Royalty revenue, which had been declining in recent years, grew by 6.9%, demonstrating the resilience of the back catalogue and the worldwide demand for live performances of classical music of the highest quality. Royalties in the Far East, for example grew 30%.

In music education, a strong new product development programme has increased market share.

Retail sales have grown by 12%, with 14% of mail order sales now online via Boosey.com. Agreements with Sibelius and Net4Music allow us to pioneer sales of downloadable sheet music on line.

Operating profit (before Exceptional Items) grew by 1.6% despite increased investment in IT and Internet infrastructure (including e-commerce and music sampling) and greater promotion of the music portfolio to the film, TV and advertising markets under BooseyMedia, the fully integrated Cavendish Music & Big Picture Music brand.

Exceptional items include the sale of archive material and the net proceeds from the resolution of a dispute. These exceptional profits increased profit on ordinary activities before tax by £1.3m.

We seek to identify further opportunities for exploring our extensive music catalogue and the economies of scale which can be derived from the company's investment in IT systems. We are also reviewing opportunities to add to the catalogue and are reviewing opportunities arising from new technology and new media.

RESULTS FOR THE YEAR

The financial results of the company for the year, set out in the profit and loss account on page 8, show a profit on ordinary activities before taxation of £3,405,000. After taking account of taxation and dividends, the profit transferred to reserves is £153,000.

DIVIDENDS

An interim dividend was paid during the year ended 31 December 2000 of £2,500,000 (1999 - £1,000,000). No final dividend is proposed (1999 : Nil).

FIXED ASSETS

The movements in fixed assets during the year are set out in notes 10 and 11 to the accounts. Details of disposals which have taken place after 31 December 2000 are explained in note 24.

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2000

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.

DIRECTORS

The following persons were directors of the Company during the year:

Mr P D Austen (resigned 31 May 2000)
Mr J L Christmas (appointed 11 September 2000)
Mr T D Glover
Mr R Holland
Mr R A Hurst
Mr A P Pool
Mr S A Richards
Mr A B Sunnucks
Mrs J E Susskind

Mark Devin resigned as company secretary on 18 February 2000 and Jane Earl was appointed company Secretary on 18 February 2000.

Mr T D Glover retired as a director of the company on 31 January 2001. Mr J B Minch was appointed a director on 1st February 2001.

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2000

DIRECTORS' SHARE INTERESTS

The Company's ultimate parent undertaking is Boosey & Hawkes plc. The interests of those directors who were not also directors of the ultimate parent undertaking were:

Boosey & Hawkes plc
Ordinary Shares of 5p each

	<u>1 January 2000</u> <u>or date of appointment</u> <u>if later</u>	<u>31 December 2000</u> <u>or date of resignation</u> <u>if earlier</u>
Mr T D Glover	Nil	Nil
Mr R A Hurst	Nil	344
Mr A P Pool	3,500	3,500
Mr S A Richards	500	642
Mr A B Sunnucks	Nil	341
Mrs J E Susskind	Nil	328
Mrs J E Susskind (registered in the name of Mr R A Fell)	3,500	5,000

No director has any interest in the shares of the Company nor in any other fellow subsidiary undertaking any other than as a bare nominee.

	<u>Scheme</u>	<u>Date of Grant</u>	<u>Option Price (£)</u>	<u>Exercisable</u>	<u>Number</u>
Mr T D Glover	ESOS*	01/10/96	7.875	01/10/99 - 30/09/06	3,800
	ESOS	06/10/98	4.375	06/10/01 - 05/10/08	10,500
	Sharesave	28/10/98	3.83	01/01/04 - 30/06/04	881
	ESOS	19/04/99	3.475	19/04/02 - 18/04/09	10,500
Mr R A Hurst	ESOS	03/04/00	3.98	03/04/03 - 02/04/10	12,000
Mr A P Pool	ESOS*	02/01/96	4.78	02/01/99 - 01/01/06	5,000
	ESOS*	01/10/96	7.875	01/10/99 - 30/09/06	3,200
	ESOS	06/10/98	4.375	06/10/01 - 05/10/08	3,250
	ESOS	19/04/99	3.475	19/04/02 - 18/04/09	3,250
Mr S A Richards	ESOS*	02/01/96	4.78	02/01/99 - 01/01/06	5,000
	ESOS*	01/10/96	7.875	01/10/99 - 30/09/06	3,200
	ESOS	06/10/98	4.375	06/10/01 - 05/10/08	3,250
	Sharesave	28/10/98	3.83	01/01/04 - 30/06/04	881
	ESOS	19/04/99	3.475	19/04/02 - 18/04/09	3,250
Mr A B Sunnucks	ESOS	03/04/00	3.98	03/04/03 - 02/04/10	9,000
Mrs J E Susskind	ESOS	06/10/98	4.375	06/10/01 - 05/10/08	5,000
	Sharesave	28/10/98	3.83	01/01/04 - 30/06/04	881
	ESOS	19/04/99	3.475	19/04/02 - 18/04/09	2,300
	ESOS	03/04/00	3.98	03/04/03 - 02/04/10	4,000

*Shares to fulfil these options were purchased in the market and are held in the Boosey & Hawkes Share Ownership Trust.

The Boosey & Hawkes Sharesave Scheme was approved by shareholders on 28 September 1998.

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31 DECEMBER 2000

DIRECTORS' AND OFFICERS' LIABILITY INSURANCE

The Company maintains insurance for the directors in respect of their duties as directors.

EMPLOYEES

During the year, the policy of providing employees with information about the business, including appropriate financial and economic factors, has been continued. Employees are also encouraged to present their views and suggestions on the development of the business.

The company's selection, training, development and promotion policies provide for equal opportunities for all employees regardless of gender, marital status, race, age or disability with all decisions based on merit. The company endeavours to involve everyone who has an interest in the safety and health of employees at work in the continued monitoring of working practices.

EUROPEAN MONETARY UNION


The company has systems which should enable it to conduct euro transactions appropriate to its local market requirements. The costs of preparing for EMU are not expected to be material to the Company.

AUDITOR

On 28 June 2001, Ernst & Young, Company's auditor, transferred its entire business to Ernst & Young LLP, a limited liability partnership incorporated under the Limited Liability Partnerships Act 2000. The directors consented to treating the appointment of Ernst & Young as extending to Ernst & Young LLP with effect from 28 June 2001.

All the members passed an elective resolution, pursuant to section 386 of the Companies Act 1985, on 21 June 1994 dispensing with the obligation to appoint auditors annually. In accordance with the Companies Act 1985 Ernst & Young LLP have been appointed by resolution of the Board of Boosey & Hawkes Music Publishers Limited.

By order of the Board



Jane Earl
Company Secretary

Deansbrook Road
EDGWARE
Middlesex
HA8 9BB

26 July 2001

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS OF BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

We have audited the financial statements on pages 8 to 19 which have been prepared under the historical cost convention and the accounting policies set out on pages 10 and 11.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 the company's directors are responsible for the preparation of accounts in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and to report our opinion to you. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

BASIS OF AUDIT 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 affairs of the company as at 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Ernst & Young LLP

Ernst & Young LLP
Registered Auditor
London

26 July 2001

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>Notes</u>		<u>2000</u>		<u>1999</u>
		Before exceptional items £'000	Exceptional Items £'000	Total £'000	£'000
Turnover	2	14,997	-	14,997	14,104
Cost of sales		(7,736)	-	(7,736)	(7,148)
		-----	-----	-----	-----
Gross profit		7,261	-	7,261	6,956
Marketing and distribution costs		(2,938)	-	(2,938)	(2,631)
Administrative expenses		(2,080)	-	(2,080)	(2,118)
Other Operating Income	3	-	1,103	1,103	-
		-----	-----	-----	-----
Operating profit		2,243	1,103	3,346	2,207
Profit on Disposal of fixed asset investment		-	231	231	-
		-----	-----	-----	-----
Profit on ordinary activities before interest and taxation		2,243	1,334	3,577	2,207
Interest receivable		16	-	16	10
Interest payable	6	(188)	-	(188)	(5)
		-----	-----	-----	-----
Profit on ordinary activities before taxation	7	2,071	1,334	3,405	2,212
Tax on profit on ordinary activities	8			(752)	(733)
				-----	-----
Profit on ordinary activities after taxation				2,653	1,479
Dividends	9			(2,500)	(1,000)
				-----	-----
Profit transferred to reserves	17			153	479
				-----	-----

All turnover and profit on ordinary activities before taxation relate to continuing operations.

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

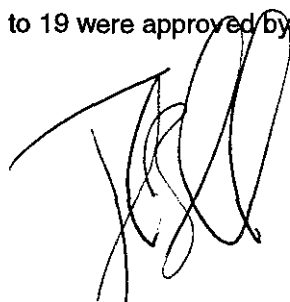
BALANCE SHEET

AS AT 31 DECEMBER 2000

	<u>Notes</u>	<u>2000</u> £'000	<u>1999</u> £'000
FIXED ASSETS			
Intangible assets	10	3,198	3,283
Tangible assets	11	1,255	1,209
		-----	-----
		4,453	4,492
CURRENT ASSETS			
Stocks	12	1,208	1,280
Debtors	13	6,063	5,824
Cash at bank and in hand		1	1
		-----	-----
		7,272	7,105
CREDITORS			
Amounts falling due within one year	14	(7,491)	(7,966)
		-----	-----
NET CURRENT LIABILITIES		(219)	(861)
		-----	-----
TOTAL ASSETS AND CURRENT LIABILITIES		4,234	3,631
		-----	-----
CREDITORS			
Amounts falling due after more than one year	15	(2,500)	(2,050)
		-----	-----
NET ASSETS		1,734	1,581
		-----	-----
CAPITAL AND RESERVES			
Called up share capital	16	10	10
Profit and Loss account	17	1,724	1,571
		-----	-----
Shareholder's Funds	18	1,734	1,581
		-----	-----

The financial statements on pages 8 to 19 were approved by the board of Directors on 26 July 2001 and were signed on its behalf by

J B Minch



Director

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2000

1 ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the accounting policies, which have been applied consistently, is set out below.

Consolidated accounts of the Company and its subsidiary undertakings are not presented since the Company is a wholly owned subsidiary of another Company that prepares group accounts and is incorporated in England and Wales.

(a) Basis of accounting

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

(b) Cash flow statement

The Company is a wholly-owned subsidiary of Boosey & Hawkes plc, a company incorporated in the UK, and is therefore exempt from the requirement to prepare a cash flow statement under FRS 1 (revised) and consequently no such statement has been prepared.

(c) Related Party Transactions

The Company is exempt from the requirement to disclose related party transactions with other Boosey & Hawkes plc group companies under FRS 8 as the Company is included in the consolidated Financial Statements of Boosey & Hawkes plc which controls 100% of the voting rights of the Company.

(d) Depreciation of tangible fixed assets

Tangible fixed assets are written off over their estimated useful lives by equal annual instalments at the following rates:

Leasehold improvements	-	over the period of the lease
Fixtures and fittings	-	rates between 10 per cent and 50 per cent
Motor vehicles	-	33 1/3 per cent
Origination scores, parts and recordings	-	33 1/3 per cent
Hire library reprints	-	33 1/3 per cent

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

(e) Copyrights

Copyrights acquired are written off over a period deemed appropriate for each specific circumstance by the Directors up to a maximum of 20 years.

(f) Goodwill

Goodwill arising on acquisitions has been capitalised and is being amortised on a straight-line basis over its useful life as deemed appropriate by the Directors, and not exceeding twenty years.

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2000

(g) Stock

Stock is valued at the lower of cost and net realisable value. Consumable and hire stocks have been valued at nominal sums.

(h) Turnover

Turnover represents the total of sales to customers (net of VAT) and the full amount of royalties and hire fee income.

(i) Foreign currency translations

Assets and liabilities in overseas currencies are translated into sterling at the rates ruling at the end of the financial year. Normal fluctuations on trading items are dealt with as part of the profit of the year.

(j) Deferred taxation

Provision is made for deferred tax, using the liability method, for all timing differences. Deferred taxation is computed at the rates of tax estimated to be applicable when the timing differences reverse. At 31 December 2000 the full potential liability was £nil (1999 - £nil).

(k) Leases

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the life of the lease. Assets acquired under finance leases are shown as fixed assets and depreciated in accordance with (d) above. The capital element of future lease payments is included in creditors. The interest element of financial lease obligations is charged to the profit and loss account so as to produce a constant periodic rate of charge.

(l) Basis of Preparation

The Company is dependant on continuing support from its parent undertaking to enable it to meet its liabilities as they fall due. The parent undertaking has confirmed its present intention to provide sufficient funds for these purposes and to continue to support the activities of the company. The directors believe that it is, therefore, appropriate to prepare the accounts on a going concern basis.

(m) Pensions

The majority of the company's employees are members of the defined benefit scheme operated by Boosey & Hawkes plc. Contributions are charged in the profit and loss account as they become payable in accordance with the rules of the scheme.

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2000

2 TURNOVER

	<u>2000</u>	<u>1999</u>
	£'000	£'000

The company engages in only one class of business

The analysis of turnover by geographical market was as follows:

Africa	37	47
Australasia	299	175
Continental Europe	5,304	5,609
Far & Middle East	1,217	995
North & Latin America	2,152	1,810
U.K.	5,988	5,468
	-----	-----
	14,997	14,104
	-----	-----

3 OTHER OPERATING INCOME

Other operating income of £1,103,000 (1999 £nil) arose as a result of the net proceeds from the resolution of a dispute.

4 STAFF COSTS

	<u>2000</u>	<u>1999</u>
	£'000	£'000
Wages and salaries	1,974	1,782
Social Security costs	182	168
Other pension costs	194	136
	-----	-----
	2,350	2,086
	-----	-----

	<u>2000</u>	<u>1999</u>
	<u>Number</u>	<u>Number</u>
Average number employed in the year:		
Marketing, distribution and administration	77	75

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2000

5 DIRECTORS' EMOLUMENTS

	<u>2000</u> £'000	<u>1999</u> £'000
Aggregate emoluments	498	446
	-----	-----
The highest paid director was Mr T D Glover	116	114
	-----	-----

Six (1999: 6) directors were members of the Boosey & Hawkes Pension Scheme, a contributory, defined benefit scheme which, subject to Inland Revenue limits, provides them with a pension of up to two-thirds of earnings together with benefits on death and disability.

The pension entitlement of the highest paid director was:

	Accrued pension at 31/12/00	Accrued pension at 31/12/99
Mr T D Glover	£10,208	£9,248

Mr Glover attained Normal Retirement Date on 19 April 2000 and ceased to accrue benefits thereafter. Thus his accrued entitlement as at 31 December 2000 is based on service to Normal Retirement Date. Certain directors are also directors of other Group companies for whom their primary duties are discharged. These directors receive no emoluments in respect of their position as directors of this Company and accordingly none are disclosed in these accounts.

6 INTEREST PAYABLE

	<u>2000</u> £'000	<u>1999</u> £'000
Interest charges on loans from group undertakings -		
Holding company and fellow subsidiaries	135	-
Interest charges on finance leases and other items	53	5
	-----	-----
	188	5
	-----	-----

The company takes part in various group arrangements under which certain costs are incurred, and income received, by Boosey & Hawkes Group Services Limited on behalf of the company. Such costs and income are included in the accounts of Boosey & Hawkes Group Services Limited.

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2000

7 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities before taxation is after charging:

	<u>2000</u> £'000	<u>1999</u> £'000
Auditors' remuneration	19	34
Depreciation	508	413
Amortisation	177	122
Operating lease rentals - plant and machinery property	36 303	40 284
	-----	-----

Non-audit fees paid to Ernst & Young and its associates in the period amounted to £2,500 relating to a royalty certificate. Non-audit fees in 1999 were £nil.

8 TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2000</u> £'000	<u>1999</u> £'000
The taxation charge, based on the profit of the year, is made up as follows:		
Corporation tax at 30% (1999 - 30.25%)	194	148
Double taxation relief	(194)	(148)
Group relief payable at 30% (1999 - 30.25%)	558	585
Overseas taxation	194	148
	-----	-----
	752	733
	-----	-----

9 DIVIDENDS

	<u>2000</u> £'000	<u>1999</u> £'000
Ordinary - Interim paid	2,500	1,000
Ordinary - Final proposed	-	-
	-----	-----
	2,500	1,000
	-----	-----

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2000

10 FIXED ASSETS - INTANGIBLE

	Copyrights	Goodwill	Total
	----- £'000	----- £'000	----- £'000
<u>Cost</u>			
At 1 January 2000	3,198	232	3,430
Additions	92	-	92
	-----	-----	-----
At 31 December 2000	3,290	232	3,522
	-----	-----	-----
<u>Accumulated Depreciation</u>			
At 1 January 2000	134	13	147
Charge to profit & loss account	165	12	177
	-----	-----	-----
At 31 December 2000	299	25	324
	-----	-----	-----
<u>Net book value</u>			
At 31 December 2000	2,991	207	3,198
	-----	-----	-----
At 1 January 2000	3,064	219	3,283
	-----	-----	-----

11 FIXED ASSETS - TANGIBLE

	Land and Buildings short leasehold	Fixtures, fittings and equipment	Origination Scores, parts and Recordings	Hire Library Reprints	Assets held under Finance Leases	Total
	----- £'000	----- £'000	----- £'000	----- £'000	----- £'000	----- £'000
<u>Cost</u>						
At 1 January 2000	514	2,298	555	302	8	3,677
Additions	-	294	226	34	-	554
	-----	-----	-----	-----	-----	-----
At 31 December 2000	514	2,592	781	336	8	4,231
	-----	-----	-----	-----	-----	-----
<u>Accumulated Depreciation</u>						
At 1 January 2000	191	1,607	411	251	8	2,468
Charge to profit & loss account	51	261	151	45	-	508
	-----	-----	-----	-----	-----	-----
At 31 December 2000	242	1,868	562	296	8	2,976
	-----	-----	-----	-----	-----	-----
<u>Net book value</u>						
At 31 December 2000	272	724	219	40	-	1,255
	-----	-----	-----	-----	-----	-----
At 1 January 2000	323	691	144	51	-	1,209
	-----	-----	-----	-----	-----	-----

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2000

12 STOCKS

	<u>2000</u> £'000	<u>1999</u> £'000
Work-in-progress	49	25
Finished goods and goods for resale	1,159	1,255
	-----	-----
	1,208	1,280
	-----	-----

13 DEBTORS: Due within one year

	<u>2000</u> £'000	<u>1999</u> £'000
Trade debtors	942	785
Amounts owed by group undertakings - holding company and fellow subsidiaries	1,375	697
Other debtors	191	599
Advance corporation tax recoverable	-	563
Prepayments and accrued income	3,555	3,180
	-----	-----
	6,063	5,824
	-----	-----

14 CREDITORS: Amounts falling due within one year

	<u>2000</u> £'000	<u>1999</u> £'000
Bank loans and overdrafts - unsecured	244	499
Trade creditors	5,218	4,161
Amounts owed to group undertakings - holding company and fellow subsidiaries	1,436	1,414
Taxation and Social Security	7	6
Other creditors	65	1,591
Accruals	521	295
	-----	-----
	7,491	7,966
	-----	-----

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2000

15 CREDITORS: Amounts falling due after more than one year

	<u>2000</u> £'000	<u>1999</u> £'000
Other creditors		
Between 1 and 2 years	-	50
Amounts owed to group undertakings - holding company and fellow subsidiaries		
Between 2 to 5 years	2,500	2,000
	-----	-----
	2,500	2,050
	-----	-----

16 CALLED UP SHARE CAPITAL

	<u>2000</u> £'000	<u>1999</u> £'000
Ordinary shares of £1.00		
- Authorised	10	10
- Allotted called up and fully paid	10	10

17 PROFIT AND LOSS ACCOUNT

	<u>2000</u> £'000	<u>1999</u> £'000
At 1 January	1,571	1,092
Profit for the year	153	479
	-----	-----
At 31 December	1,724	1,571
	-----	-----

18 RECONCILIATION OF MOVEMENTS IN SHAREHOLDER'S FUNDS

	<u>2000</u> £'000	<u>1999</u> £'000
Profit for the financial year	2,653	1,479
Dividends	(2,500)	(1,000)
	-----	-----
	153	479
Opening shareholder's funds	1,581	1,102
	-----	-----
Closing shareholder's funds	1,734	1,581
	-----	-----

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2000

19 PENSION ARRANGEMENTS

The majority of the Company's employees are members of the Boosey & Hawkes Pension Scheme operated by the holding company, Boosey & Hawkes plc, in whose accounts particulars are contained. The Scheme is of the defined benefit type with assets in separately administered funds.

The Scheme is subject to an independent triennial actuarial valuation and the most recent of these was at 1st January 1999. The valuation for accounting purposes was carried out by a professionally qualified actuary using market related assumptions and the projected unit method of valuation. The principal assumptions adopted were that the investment return would exceed salary increases by 3% per annum, pre-retirement and investment return would exceed pension increases by 3% per annum post-retirement. The actuarial value of the assets was sufficient to cover 99% of the benefits that had accrued allowing for future increases in pensionable remuneration. The market value of the assets of the Scheme as at 1 January 1999 was £21,565,000. At the valuation date of 1 January 1999 the value of past service liabilities exceeded the value of assets by £131,000 while the Company cost of future service benefits was 13.2% of pensionable salaries. The funding level on the Minimum Funding Requirement (MFR) basis was 99% representing a deficiency of £166,000. The Company agreed that the contribution rate will be 14% of pensionable salaries with effect from 1 January 2000 to meet the ongoing cost of the Scheme and remove the ongoing deficiency as well as meeting with the MFR requirements. For accounting purposes, the deficiency is being spread over the remaining service lives of current active members.

The pension cost for the year was £193,641 (1999: £135,859) which represents contributions to the Scheme. Amounts required to be provided in respect of the Company's employees under SSAP24 are accrued in the accounts of Boosey & Hawkes plc.

20 CONTINGENT LIABILITY

The company has guaranteed the bank overdrafts and other facilities of the holding company and certain fellow subsidiaries. At 31 December 2000 such net overdrafts and facilities utilised amounted to £38,071,000 (1999: £29,695,000).

21 CAPITAL COMMITMENTS

The company had entered into contracts for capital expenditure at 31 December 2000 amounting to £Nil, (1999: £Nil) for which no provision has been made in the accounts.

BOOSEY & HAWKES MUSIC PUBLISHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

AS AT 31 DECEMBER 2000

22 LEASE COMMITMENTS

The Company pays lease rentals in respect of both finance and operating leases entered into by the ultimate holding company for the benefit of the company. Operating lease rentals are disclosed in note 7 and the accounting policy regarding finance leases is detailed in note 1(k).

At 31 December 2000 the Company had annual commitments under non-cancellable operating leases as follows:

	<u>2000</u> £'000	<u>1999</u> £'000
Land and Buildings		
Expiring within one year	nil	nil
Expiring between two and five years Inclusive	nil	nil
Other		
Expiring within one year	32	36
Expiring between two and five years inclusive	3	35
	<u>35</u>	<u>71</u>

23 RELATED PARTY TRANSACTIONS

The Company purchased Big Picture Music on 28th October 1998. Andrew Sunnucks, who was the sole proprietor of Big Picture Music, subsequently became a director of the Company. At 31 December 2000 deferred consideration payable to Andrew Sunnucks was £50,000 (1999: £100,000).

The company purchased services amounting to £3,000 (1999:nil) from Chelmsway Associates Limited, a company controlled by R A Hurst.

24 SUBSEQUENT EVENT

In July 2001 Boosey and Hawkes Music Publishers Limited disposed of its short leasehold land and buildings, which was held in the balance sheet at a net book value of £272,000 at 31 December 2000.

25 ULTIMATE PARENT UNDERTAKING

The smallest and largest group of undrtakings into which these financial statements are consolidated is Boosey & Hawkes plc, registered in England and Wales. Consolidated accounts can be obtained from The Secretary, Boosey & Hawkes plc, Deansbrook Road, Edgware, Middx, HA8 9BB.