

B.W.D. PRODUCTIONS LIMITED

DIRECTOR	Mrs. D.E. Wellings
SECRETARY	Mrs. S. Monk
REGISTERED OFFICE	26 Rodwell Court, Hersham Road, Walton-on-Thames, Surrey, KT12 1RF
REGISTERED NUMBER	888341 (England & Wales)
ACCOUNTANTS	Messrs. Charles Stuart, 32-36 Bath Road, HOUNSLOW, TW3 3EF.

REPORT AND FINANCIAL STATEMENTS

31st DECEMBER 1996

PAGES

1	Report of the Director
2	Profit and Loss Account
3 & 4	Balance Sheet
5 - 8	Notes to the Financial Statements



B.W.D. PRODUCTIONS LIMITEDREPORT OF THE DIRECTOR

The Director presents her Report, together with the financial statements of the Company, for the year ended 31st December 1996.

PRINCIPAL ACTIVITIES

The Company's principle activities continued to be those of Producers and Distributors of records and recording material.

DIRECTOR

The Director who served during the year, and her interests (including family interests) in the Issued Ordinary Share Capital of the Company, was as follows:-

	ORDINARY SHARES OF £1 EACH	
	31.12.96	31.12.95
MRS. D.E. WELLINGS	2	2

DIRECTOR'S RESPONSIBILITIES

Company law requires the Director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss of the Company for that period. In preparing those financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the company will continue in business.

The Director is responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable her to ensure that the financial statements comply with the Companies Act 1985. She is 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.

This report which has been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small companies was approved by the board on 5th January 1998 and signed on its behalf.

MRS. S. MONK

Secretary

S. Monk

B.W.D. PRODUCTIONS LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED31st DECEMBER 1996

	NOTES	1996	1995
TURNOVER	2	£36,873	£36,332
COST OF SALES		26,043	20,735
		<hr/>	<hr/>
GROSS PROFIT		£10,830	
Administrative Expenses		(10,547)	(14,374)
		<hr/>	<hr/>
OPERATING PROFIT	3	£283	£1,223
		<hr/>	<hr/>
PROFIT on Ordinary Activities, before interest		£283	£1,223
Interest Receivable		-	5
		<hr/>	<hr/>
PROFIT on Ordinary Activities, before taxation		£283	£1,228
Tax on Profit on Ordinary Activities	4	(157)	636
		<hr/>	<hr/>
RETAINED PROFIT for the financial year		£126	£1,864
RETAINED LOSS at 31 st December 1995		(15,984)	(17,848)
		<hr/>	<hr/>
RETAINED LOSS at 31 st December 1996		(£15,858)	(£15,984)
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There were no Recognised Gains or Losses for 1995 or 1996 other than those included in the Profit and Loss Account.

The Notes on pages 5 to 8 form part of these Financial Statements.

B.W.D. PRODUCTIONS LIMITEDBALANCE SHEET AS AT 31st DECEMBER 1996

	NOTE	1996	1995
FIXED ASSETS			
Tangible Assets	5	£934	£1,132
CURRENT ASSETS			
Stocks		£10,500	£6,500
Debtors	6	3,813	17,553
Cash at Bank and in Hand		592	348
		<u>£14,905</u>	<u>£24,401</u>
CREDITORS: Amounts falling due within one year	7	31,695	41,515
NET CURRENT LIABILITIES		<u>(16,790)</u>	<u>(17,114)</u>
NET LIABILITIES		<u>(£15,856)</u>	<u>(£15,982)</u>
CAPITAL AND RESERVES			
Called up Share Capital	8	£2	£2
Profit and Loss Account		(15,858)	(15,984)
SHAREHOLDERS' FUNDS	9	<u>(£15,856)</u>	<u>(£15,982)</u>

The financial statements have prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small companies.

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B.W.D. PRODUCTIONS LIMITEDBALANCE SHEET AS AT 31st DECEMBER 1996
(continued)

In approving these financial statements, the Director of the Company confirms:

- (i) that for the year ended 31st December 1996, the Company was entitled to the exemptions conferred by Section 249A(1) of the Companies Act 1985, and
- (ii) that no Notice has been deposited by any member of the Company requiring an audit under Section 249B(2) in relation to the financial statements for the financial year, and
- (iii) that the Company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- (iv) that the financial statements give a true and fair view of the state of affairs of the Company as at 31st December 1996 and of its Loss for the year then ended in accordance with the requirements of S226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the Company.

SIGNED ON BEHALF OF THE BOARD

D E. Wellings 5/1/98

MRS. D.E. WELLINGS

-----) DIRECTOR

APPROVED BY THE BOARD ON: 5th January 1998

The Notes on pages 5 to 8 form part of these financial statements.

B.W.D. PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED

31st DECEMBER 1996

1. ACCOUNTING POLICIES

1.1 Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and include the results of the Company's operations which are described in the Director's Report and all of which are continuing.

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

1.2 Turnover

Turnover represents the invoiced value of goods sold/services provided net of Value Added Tax.

The receipt of royalties is included on a cash basis, no reserves being included for unpaid amounts.

1.3 Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation on fixed assets is provided at rates estimated to write off the cost or revalued amounts, less estimated residual value, of each asset over its expected useful life, as follows:-

Office Equipment	-	15% reducing balance
Motor Vehicle	-	25% reducing balance

1.4 Stocks

Stocks and Work in Progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

Recording tapes are not valued as stock as the costs are written off to the profit and loss account on acquisition or expenditure thereon.

1.5 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

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B.W.D. PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st DECEMBER 1996
(continued)

1.6 **Going Concern**

These Financial Statements have been prepared on a going concern basis which assumes that the company will continue to trade. The validity of this assumption is dependant on sufficient and continuing financial support being made available by the director of the company.

If the company was unable to continue to trade adjustments would have to be made to reduce the value of assets to their realisable amount, to reclassify fixed assets as current assets and to provide for any further liabilities that may arise.

2. TURNOVER	1996	1995
Turnover for the year was attributable as follows:		
United Kingdom	98%	98%
Exports	2%	2%
	<hr/>	<hr/>
	100%	100%
	<hr/>	<hr/>
3. OPERATING PROFIT		
The Operating Profit is stated after charging:-		
Depreciation:		
Owned Tangible Fixed Assets	£198	£244
Hire of Equipment	-	30
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4. TAXATION		
UK Current Year Taxation		
UK Corporation Tax based on the results for the year at the rate of 25% (1995:25%)	£157	£552
Overprovision of prior years	-	(1,188)
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	£157	(£636)
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B.W.D. PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st DECEMBER 1996
(continued)

5. TANGIBLE ASSETS	OFFICE EQUIPMENT	MOTOR VEHICLE	TOTAL
Cost			
At 1 st January 1996 and at 31 st December 1996	£6,900	£5,000	£11,900
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 st January 1996	£6,049	£4,719	£10,768
Charge for year	128	70	198
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At 31 st December 1996	£6,177	£4,789	£10,966
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Net Book Value			
At 31 st December 1996	£723	£211	£934
	<hr/>	<hr/>	<hr/>
At 31 st December 1995	£851	£281	£1,132
	<hr/>	<hr/>	<hr/>
6. DEBTORS		1996	1995
Trade Debtors		£3,813	£17,553
		<hr/>	<hr/>
7. CREDITORS: Amounts falling due within one year			
Trade Creditors		£3,166	£2,415
Other Creditors		20,808	29,437
Social Security and Other Taxes		6,321	8,403
Accruals and Deferred Income		1,400	1,260
		<hr/>	<hr/>
		£31,695	£41,515
		<hr/>	<hr/>
8. SHARE CAPITAL			
Authorised			
Ordinary Shares of £1 each		£100	£100
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Allotted, Called Up and Fully Paid			
Ordinary Shares of £1 each		£2	£2
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B.W.D. PRODUCTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31st DECEMBER 1996
(continued)

9. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	1996	1995
Retained Profit for the year	£126	£1,864
Shareholders' Funds at 31 st December 1995	(15,982)	(17,846)
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Shareholders' Funds at 31 st December 1996	(£15,856)	(£15,982)
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