

REGISTRAR OF COMPANIES

Company Registration No. 01016257 (England and Wales)

DEEP PURPLE (OVERSEAS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 1995



DEEP PURPLE (OVERSEAS) LIMITED

COMPANY INFORMATION

Directors	M.A. Edwards	
	J.L. Coletta	
	A D Rao	(Appointed 27 December 1996)
Secretary	D.S. Rao	
Company Number	01016257	
Registered Office	1 Salisbury Close Worcester Park Surrey KT4 7BT	
Auditors	Simon Ling & Co 7-11 Woodcote Road Wallington Surrey SM6 0LH	
Business Address	1 Salisbury Close Worcester Park Surrey KT4 7BT	

DEEP PURPLE (OVERSEAS) LIMITED

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DEEP PURPLE (OVERSEAS) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 1995

The directors present their report and financial statements for the year ended 30 June 1995.

Principal Activities

The principal activity of the company continued to be that of musical recordings and the management and promotion of artistes and their music outside the United Kingdom.

Directors

The following directors have held office since 1 July 1994:

M.A. Edwards

J.L. Coletta

D.S. Rao

(Appointed 1 November 1996) And (Resigned 27 December 1996)

A D Rao

(Appointed 27 December 1996)

Directors' Interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	30 June 1995	1 July 1994
M.A. Edwards	49	49
J.L. Coletta	49	49

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution proposing that Simon Ling & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

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;
- 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.

In the preparation of the directors' report advantage has been taken of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

By order of the Board

ADR

A D Rao

Director

10 January 1997

DEEP PURPLE (OVERSEAS) LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF DEEP PURPLE (OVERSEAS) LIMITED

We have audited the financial statements on pages 3 to 8 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 30 June 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Simon Ling & Co

Chartered Accountants
Registered Auditor

10 January 1997

7-11 Woodcote Road
Wallington
Surrey
SM6 0LH

DEEP PURPLE (OVERSEAS) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 1995

	Notes	1995 £	1994 £
Turnover		1,048,310	839,973
Cost of sales		(28,448)	(18,258)
Gross profit		1,019,862	821,715
Administrative expenses		(1,029,796)	(802,049)
Operating (loss)/profit	2	(9,934)	19,666
Other interest receivable and similar income	3	5,552	1,603
Amounts written off investments	4	(160)	-
(Loss)/profit on ordinary activities before taxation		(4,542)	21,269
Tax on (loss)/profit on ordinary activities	5	(8,979)	(8,564)
(Loss)/profit on ordinary activities after taxation	12	(13,521)	12,705

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

DEEP PURPLE (OVERSEAS) LIMITED

BALANCE SHEET AS AT 30 JUNE 1995

	Notes	1995 £	£	1994 £	£
Fixed Assets					
Tangible assets	6		10,171		13,562
Investments	7		-		160
			<u>10,171</u>		<u>13,722</u>
Current Assets					
Debtors	8	469,598		279,532	
Cash at bank and in hand		66,265		124,982	
		<u>535,863</u>		<u>404,514</u>	
Creditors: amounts falling due within one year	9	<u>(541,849)</u>		<u>(400,530)</u>	
Net Current (Liabilities)/Assets			<u>(5,986)</u>		<u>3,984</u>
Total Assets Less Current Liabilities			<u>4,185</u>		<u>17,706</u>
Capital and Reserves					
Called up share capital	11		100		100
Profit and loss account	12		4,085		17,606
Shareholders' Funds - equity interests	13		<u>4,185</u>		<u>17,706</u>

In preparing these financial statements:

- (a) Advantage has been taken of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985, and
- (b) In the directors' opinion the company is entitled to these exemptions as a small company.

The financial statements were approved by the Board on 10 January 1997

AD Rao

A D Rao
Director

DEEP PURPLE (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

5	Taxation	1995 £	1994 £
	U.K. Current year taxation		
	U.K. Corporation tax at 25%	1,216	-
	Overseas tax		
	Deducted from royalties received	7,057	8,564
	Prior years		
	U.K. Corporation tax	706	-
		<u>8,979</u>	<u>8,564</u>

The company has estimated losses of £33,187 (1994 - £33,987) available for carry forward against future trading profits.

6 Tangible Fixed Assets

	Total £
Cost	
At 1 July 1994 & at 30 June 1995	<u>32,148</u>
Depreciation	
At 1 July 1994	18,586
Charge for the year	<u>3,391</u>
	<u>21,977</u>
Net book value	
	<u>10,171</u>
At 30 June 1994	<u>13,562</u>

DEEP PURPLE (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

7 Fixed Asset Investments

	Unlisted investments £
Cost	
At 1 July 1994 & at 30 June 1995	160
Provisions for diminution in value	
At 1 July 1994	-
Charge for the year	160
At 30 June 1995	160
Net book value	
At 30 June 1995	-
At 30 June 1994	160

The company owns 100% of Connaught Music Inc. (incorporated in the United States of America). The investment is stated at cost less amounts written off. Connaught Music Inc. did not trade during the year or the previous year.

8 Debtors	1995 £	1994 £
Trade debtors	426,938	259,215
Other debtors	42,660	20,317
	<u>469,598</u>	<u>279,532</u>

9 Creditors: amounts falling due within one year	1995 £	1994 £
Bank loans and overdrafts	23,111	9,178
Trade creditors	495,532	374,982
Corporation tax	933	-
Other creditors	22,273	16,370
	<u>541,849</u>	<u>400,530</u>

DEEP PURPLE (OVERSEAS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

10 Pension Costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £14,093 (1994 - £13,180).

11 Share Capital

	1995 £	1994 £
Authorised		
50,000 Ordinary shares of £1 each	50,000	50,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

12 Statement of Movements on Profit and Loss Account

	Profit and loss account £
Balance at 1 July 1994	17,606
Retained loss for the year	(13,521)
Balance at 30 June 1995	4,085

13 Reconciliation of Movements in Shareholders' Funds

	1995 £	1994 £
(Loss)/Profit for the financial year	(13,521)	12,705
Opening shareholders' funds	17,706	5,001
Closing shareholders' funds	4,185	17,706

14 Transactions With Directors

Mr D S Rao, who was appointed a director on 1st November 1996 but resigned on 27th December 1996 and was replaced by his wife, Mrs A.D.Rao, acts as accountant and company secretary. During the year ended 30th June 1995 amounts totalling £164,228 (1994 - £161,348) were paid to him or to a company under his control for professional services rendered to the company. Furthermore Mrs M Edwards and Mrs C Coletta, wives of the other two directors, drew salaries of £15,000 and £20,000 respectively from the company during the year and the previous year.