

BIRCHILL MUSIC LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 SEPTEMBER 2000



Company no 1331409

BIRCHILL MUSIC LIMITED

FINANCIAL STATEMENTS

For the year ended 30 September 2000

Company registration number: 1331409

Registered office: Grant Thornton House
Melton Street
Euston Square
London
NW1 2EP

Directors: Sir Neville Marriner
Lady Marriner
Marian R Price

Secretary: Marian R Price

BIRCHILL MUSIC LIMITED

FINANCIAL STATEMENTS

For the year ended 30 September 2000

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BIRCHILL MUSIC LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 September 2000.

Principal activities

The principal activity of the company remained unchanged, and comprise the composition, arrangement, direction and performance of musical works.

Directors

The present membership of the Board is set out below. All directors served throughout the year.

The interests of the directors in the shares of the company as at 30 September 2000 were as follows:

| | Ordinary shares of £1 each | |
|----------------------|-----------------------------------|------------------|
| | 30 September | 1 October |
| | 2000 | 1999 |
| Sir Neville Marriner | 40 | 40 |
| Lady Marriner | 40 | 40 |

The remaining 20 ordinary shares are held by The Sir Neville Marriner Grandchildren's Settlement.

Small company exemption

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

BY ORDER OF THE BOARD



Marian R Price
Secretary
27 April 2001

BIRCHILL MUSIC LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

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

The company is exempt from preparing consolidated financial statements on the grounds that, taken together with its subsidiary, it qualifies as a small-sized group under section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

| | |
|-----------------------|---|
| Leasehold buildings | When 50 years remain, equally over such remainder |
| Motor vehicles | 25% written down value |
| Fixtures and fittings | 25% cost |

INVESTMENTS

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

DEFERRED TAXATION

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

FOREIGN CURRENCIES

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. All other exchange differences are dealt with through the profit and loss account.

BIRCHILL MUSIC LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 September 2000

| | Note | 2000 £ | 1999 £ |
|--|------|----------------|----------------|
| Turnover | 1 | 186,354 | 143,197 |
| Cost of sales | | (1,073) | (642) |
| Gross profit | | <u>185,281</u> | <u>142,555</u> |
| Administrative expenses | | (131,740) | (140,629) |
| Operating profit | | <u>53,541</u> | <u>1,926</u> |
| Net interest | 3 | 58,681 | 57,423 |
| Profit on ordinary activities before taxation | 1 | <u>112,222</u> | <u>59,349</u> |
| Tax on profit on ordinary activities | 4 | (27,302) | (12,000) |
| Profit transferred to reserves | 11 | <u>84,920</u> | <u>47,349</u> |

All transactions arise from continuing operations.

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

BIRCHILL MUSIC LIMITED

BALANCE SHEET AT 30 SEPTEMBER 2000

| | Note | 2000 £ | 2000 £ | 1999 £ | 1999 £ |
|--|------|------------------|------------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 5 | | 244,465 | | 252,375 |
| Investments | 6 | | 13,906 | | 13,906 |
| | | | <u>258,371</u> | | <u>266,281</u> |
| Current assets | | | | | |
| Debtors | 7 | 68,208 | | 56,925 | |
| Cash at bank and in hand | | 1,200,135 | | 1,073,876 | |
| | | <u>1,268,343</u> | | <u>1,130,801</u> | |
| Creditors: amounts falling due within one year | 8 | (85,306) | | (58,357) | |
| Net current assets | | | <u>1,183,037</u> | | <u>1,072,444</u> |
| Total assets less current liabilities | | | <u>1,441,408</u> | | <u>1,338,725</u> |
| Creditors: amounts falling due after more than one year | 9 | | (1,170,037) | | (1,152,274) |
| | | | <u>271,371</u> | | <u>186,451</u> |
| Capital and reserves | | | | | |
| Called up share capital | 10 | | 100 | | 100 |
| Profit and loss account | 11 | | 271,271 | | 186,351 |
| Shareholders' funds | 12 | | <u>271,371</u> | | <u>186,451</u> |

For the year ended 30 September 2000, the company was exempt from audit of its financial statements under section 249A(1) of the Companies Act 1985. No notice has been deposited by members under section 249B(2) calling for an audit in relation to these financial statements.

We acknowledge our responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and preparing financial statements 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 its profit for the financial year in accordance with the requirements of section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

The financial statements were approved by the Board of Directors on 28 April 2001

Sir Neville Marriner

Directors

Lady Marriner

The accompanying accounting policies and notes form an integral part of these financial statements.

BIRCHILL MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2000

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

Turnover attributable to geographical markets outside the United Kingdom amounted to 26% (1999: 52%).

The profit on ordinary activities is stated after:

| | 2000 £ | 1999 £ |
|--|-----------|-----------|
| Depreciation and amortisation: Tangible fixed assets, owned | 7,910 | 11,616 |

2 DIRECTORS

Remuneration in respect of directors was as follows:

| | 2000 £ | 1999 £ |
|------------------|-----------|-----------|
| Remuneration | 52,997 | 48,462 |
| Benefits in kind | 29,068 | 37,745 |
| | 82,065 | 86,207 |

3 NET INTEREST

| | 2000 £ | 1999 £ |
|--|-----------|-----------|
| Other interest payable and similar charges | 809 | - |
| Other interest receivable and similar income | (59,490) | (57,423) |
| | (58,681) | (57,423) |

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge represents:

| | 2000 £ | 1999 £ |
|---|-----------|-----------|
| Corporation tax | 23,500 | 12,000 |
| Less relief for overseas taxation | (1,400) | - |
| | 22,100 | 12,000 |
| Overseas tax | 2,291 | - |
| Adjustments in respect of prior periods: Under provided in earlier years | 2,911 | - |
| | 27,302 | 12,000 |

BIRCHILL MUSIC LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2000

5 TANGIBLE FIXED ASSETS

| | Long leasehold land and buildings £ | Motor vehicles £ | Fixtures and fittings £ | Total £ |
|---|---|------------------------|----------------------------------|----------------|
| Cost | | | | |
| At 1 October 1999 and 30 September 2000 | 242,716 | 45,000 | 14,497 | 302,213 |
| Depreciation | | | | |
| At 1 October 1999 | 21,982 | 13,360 | 14,496 | 49,838 |
| Provided in the year | - | 7,910 | - | 7,910 |
| At 30 September 2000 | 21,982 | 21,270 | 14,496 | 57,748 |
| Net book amount at 30 September 2000 | 220,734 | 23,730 | 1 | 244,465 |
| Net book amount at 30 September 1999 | 220,734 | 31,640 | 1 | 252,375 |

6 FIXED ASSETS INVESTMENTS

| | 4 Ordinary £20 Shares £ | Other investments £ | Total £ |
|---|-------------------------------|---------------------------|---------------|
| Cost | | | |
| At 1 October 1999 and 30 September 2000 | 10,000 | 3,906 | 13,906 |
| Net book amount at 30 September 2000 | 10,000 | 3,906 | 13,906 |
| Net book amount at 30 September 1999 | 10,000 | 3,906 | 13,906 |

The shares comprise ordinary £20 shares in 67 Cornwall Gardens Limited (a company incorporated in England). 3 of these shares (representing 50% of the issued share capital) are owned directly by the company. The other share is held as nominee for the occupant of the top floor flat of 67 Cornwall Gardens. As at 31 December 1999 and 31 December 1998, 67 Cornwall Gardens Limited had adverse reserves of £1,500 and shareholders' funds of £13,500. The investment is stated at cost and in the opinion of the directors the market value does not differ materially therefrom.

The other investment is a work of art where in the opinion of the directors the market value does not differ materially from cost.

BIRCHILL MUSIC LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 September 2000

7 DEBTORS

| | 2000 £ | 1999 £ |
|--------------------------------|---------------|---------------|
| Trade debtors | 8,638 | 6,156 |
| Other debtors | - | 1,139 |
| Taxation recoverable | - | 2,976 |
| Prepayments and accrued income | 59,570 | 46,654 |
| | <u>68,208</u> | <u>56,925</u> |

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2000 £ | 1999 £ |
|----------------------------------|---------------|---------------|
| Amount owed to group undertaking | 1,122 | 1,122 |
| Corporation tax | 22,100 | 11,989 |
| Social security and other taxes | 2,095 | 2,132 |
| Loans from directors | 21,989 | 9,425 |
| Accruals and deferred income | 38,000 | 33,689 |
| | <u>85,306</u> | <u>58,357</u> |

9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2000 £ | 1999 £ |
|------------------------------------|------------------|------------------|
| Amount owed to related undertaking | <u>1,170,037</u> | <u>1,152,274</u> |

The related undertaking is Birchill Music (Overseas) Limited, a company which is controlled by Sir Neville and Lady Marriner.

10 SHARE CAPITAL

| | 2000 £ | 1999 £ |
|--|------------|------------|
| Authorised 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted, called up and fully paid 100 Ordinary shares of £1 each | <u>100</u> | <u>100</u> |

BIRCHILL MUSIC LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 September 2000

11 RESERVES

| | Profit and loss account £ |
|------------------------------|--|
| At 1 October 1999 | 186,351 |
| Retained profit for the year | 84,920 |
| At 30 September 2000 | <u>271,271</u> |

12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

| | 2000 £ | 1999 £ |
|--|-------------------|-------------------|
| Profit for the financial year | 84,920 | 47,349 |
| Shareholders' funds at 1 October 1999 | 186,451 | 139,102 |
| Shareholders' funds at 30 September 2000 | <u>271,371</u> | <u>186,451</u> |

13 CAPITAL COMMITMENTS

The company had no capital commitments at 30 September 2000 or 30 September 1999.

14 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 September 2000 or 30 September 1999.

15 TRANSACTIONS WITH DIRECTORS

During The year Dale Parkinson & Co, a firm in which Marian R Price is a partner, charged management fees of £19,000 (1999: £27,500) to Birchill Music Limited.

Sir Neville and Lady Marriner occupy part of the premises at 67 Cornwall Gardens, London, SW7 where further particulars are given in note 5 to these financial statements.