

Company Registration No. 1346089 (England and Wales)

MERCURY SONGS LIMITED
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2001



NLP

MERCURY SONGS LIMITED

CONTENTS

	Page
Auditors' report	1
Abbreviated balance sheet	2
Notes to the abbreviated accounts	3 - 4

MERCURY SONGS LIMITED

AUDITORS' REPORT TO MERCURY SONGS LIMITED UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 31 August 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of trustees and auditors

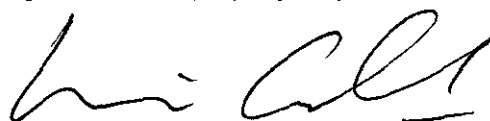
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Lewis Golden & Co
Chartered Accountants and Registered Auditors
40 Queen Anne Street
London
W1G 9EL

19 June 2002

MERCURY SONGS LIMITED

ABBREVIATED BALANCE SHEET AS AT 31 AUGUST 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	2		23,053		25,614
Current assets					
Debtors		96,601		203,032	
Cash at bank and in hand		2,247,975		1,788,691	
		<u>2,344,576</u>		<u>1,991,723</u>	
Creditors: amounts falling due within one year		<u>(2,311,517)</u>		<u>(1,922,297)</u>	
Net current assets			33,059		69,426
Total assets less current liabilities			<u>56,112</u>		<u>95,040</u>
Capital and reserves					
Called up share capital	3		2		2
Profit and loss account			56,110		95,038
Shareholders' funds			<u>56,112</u>		<u>95,040</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 19 June 2002 and signed on its behalf by:


A Saleh
Director

MERCURY SONGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover is the total amount earned by the company in respect of royalties and fees. The analysis of turnover by geographical market has not been disclosed as in the directors' opinion disclosure would be prejudicial to the company's interest.

Royalties are brought into account when they become due and payable or if received in the year by way of non-refundable advances on anticipated future royalties.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Memorabilia	10% on written down value
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1.4 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences 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 foreseeable future.

1.5 Deferred expenditure

Deferred expenditure relates to recordings, video projects and associated costs incurred during the year, which are charged to the profit and loss account in the accounting period in which the recording or video projects are made available for commercial exploitation.

2 Fixed assets

	Tangible assets £
Cost	
At 1 September 2000 & at 31 August 2001	47,811
Depreciation	
At 1 September 2000	22,197
Charge for the year	2,561
At 31 August 2001	24,758
Net book value	
At 31 August 2001	23,053
At 31 August 2000	25,614

MERCURY SONGS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2001

3	Share capital	2001	2000
		£	£
	Authorised		
	100 Ordinary shares of £ 1 each	100	100
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	2 Ordinary shares of £ 1 each	2	2
		<u> </u>	<u> </u>

4 Transactions with directors

During the course of the year, Mr J Libson and Mr A Saleh were partners in the accountancy practice Nyman Libson Paul which provided the company with accountancy and professional services to the value of £20,490 (2000 - £20,757).

Amounts totalling £19,966 (2000 - £25,735) were payable by the company for the services of the director, Mr H J Beach.