

Company Registration No. 1348634 (England and Wales)

DON BLACK MUSIC LTD

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2002



DON BLACK MUSIC LTD

COMPANY INFORMATION

Directors	D Blackstone S Blackstone
Secretary	S Blackstone
Company number	1348634
Registered office	Devonshire House 1 Devonshire Street London W1W 5DR
Accountants	Citroen Wells Devonshire House 1 Devonshire Street London W1W 5DR

DON BLACK MUSIC LTD

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DON BLACK MUSIC LTD

DIRECTORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2002

The directors present their report and financial statements for the year ended 31 August 2002.

Principal activities

The company is principally engaged in providing the services of songwriters.

Directors

The following directors have held office since 1 September 2001:

D Blackstone

S Blackstone

Directors' interests

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

	Ordinary shares of £ 1 each	
	31 August 2002	1 September 2001
D Blackstone	67	67
S Blackstone	13	13

In addition the directors have a joint non-beneficial interest in 20 (2001 - 20) ordinary shares of £1 each.

Small company exemptions

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

On behalf of the board

S. Blackstone

S Blackstone

Director

21.2.2003

DON BLACK MUSIC LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2002

		2002 £	2001 £
	Notes		
Turnover		251,028	289,733
Administrative expenses		(107,913)	(159,065)
Operating profit	2	143,115	130,668
Investment income	3	718	3,377
Other interest receivable and similar income		7,501	11,404
Profit on ordinary activities before taxation		151,334	145,449
Tax on profit on ordinary activities	4	(36,084)	(34,741)
Profit on ordinary activities after taxation		115,250	110,708
Dividends		-	(100,000)
Retained profit for the year	10	115,250	10,708

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.

DON BLACK MUSIC LTD

BALANCE SHEET AS AT 31 AUGUST 2002


	Notes	2002 £	£	2001 £	£
Current assets					
Debtors	5	76,715		34,964	
Investments	6	365,672		364,954	
Cash at bank and in hand		366,416		286,165	
		<u>808,803</u>		<u>686,083</u>	
Creditors: amounts falling due within one year	7	<u>(49,929)</u>		<u>(42,459)</u>	
Total assets less current liabilities		<u>758,874</u>		<u>643,624</u>	
Capital and reserves					
Called up share capital	9		100		100
Profit and loss account	10		<u>758,774</u>		<u>643,524</u>
Shareholders' funds - equity interests	11		<u>758,874</u>		<u>643,624</u>

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this 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.

The financial statements were approved by the Board on 21.2.2003.



D Blackstone
Director



S Blackstone
Director

DON BLACK MUSIC LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2002

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the 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 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

1.3 Turnover

Turnover represents royalties and fees receivable during the year.

1.4 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.5 Pensions

The Company operates a money purchase (defined contribution) pension scheme. Contributions payable to this scheme are charged to profit and loss account in the period to which they relate.

These contributions are invested separately from the Company's assets.

1.6 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

The above amounts to a change in accounting policy. The previous policy was to provide deferred tax only to the extent that it was probable that liabilities would crystallise in the foreseeable future.

The adoption of the standard has not required a prior period adjustment. If the new policy had been in place in the previous period no liability would have been recognised as the conditions for recognition would not have been satisfied.

1.7 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the year end. Other assets acquired in foreign currencies are translated at the exchange rates ruling at the date of acquisition. Profit and loss items have been translated at actual exchanges rates.

The net differences arising have been dealt with through the profit and loss account.

2 Operating profit

	2002	2001
	£	£
Operating profit is stated after charging:		
Loss on foreign exchange transactions	4,514	370
Directors' emoluments	63,300	103,167
	<u>67,814</u>	<u>103,537</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

3	Investment income	2002	2001
		£	£
	Income from fixed asset investments	718	3,377
		<u> </u>	<u> </u>
4	Taxation	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	36,084	34,741
		<u> </u>	<u> </u>
	Current tax charge	36,084	34,741
		<u> </u>	<u> </u>
	Factors affecting the tax charge for the year		
	Profit on ordinary activities before taxation	151,334	145,449
		<u> </u>	<u> </u>
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 23.95% (2001 : 23.90%)	36,244	34,762
		<u> </u>	<u> </u>
	Effects of:		
	Non deductible expenses	-	225
	Other tax adjustments	(160)	(246)
		<u> </u>	<u> </u>
		(160)	(21)
		<u> </u>	<u> </u>
	Current tax charge	36,084	34,741
		<u> </u>	<u> </u>
5	Debtors	2002	2001
		£	£
	Trade debtors	75,419	34,008
	Other debtors	1,296	956
		<u> </u>	<u> </u>
		76,715	34,964
		<u> </u>	<u> </u>
6	Current asset investments	2002	2001
		£	£
	Other investments	365,672	364,954
		<u> </u>	<u> </u>
	Market valuation of listed investments	425,631	443,274
		<u> </u>	<u> </u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

7	Creditors: amounts falling due within one year	2002	2001
		£	£
	Taxation and social security	44,158	35,689
	Other creditors	5,771	6,770
		<u>49,929</u>	<u>42,459</u>
8	Pension costs		
	Defined contribution		
		2002	2001
		£	£
	Contributions payable by the company for the year	<u>33,300</u>	<u>89,000</u>
9	Share capital	2002	2001
		£	£
	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>
10	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 September 2001		643,524
	Retained profit for the year		115,250
	Balance at 31 August 2002		<u>758,774</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2002

11 Reconciliation of movements in shareholders' funds	2002 £	2001 £
Profit for the financial year	115,250	110,708
Dividends	-	(100,000)
Net addition to shareholders' funds	115,250	10,708
Opening shareholders' funds	643,624	632,916
Closing shareholders' funds	758,874	643,624

12 Transactions with directors

D Blackstone and S Blackstone are the equity partners of Don Black Enterprises ("D.B.E.").

D.B.E. acted as agent in collecting royalties and as at 31 August 2002 £66,756 (2001 - £17,471) was owed to the company by D.B.E..