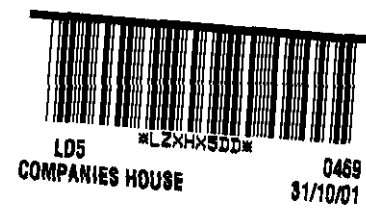


COMPLETE MUSIC LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000



COMPLETE MUSIC LIMITED

COMPANY INFORMATION

Directors	Mr Martin Costello Mr Iain Ronald McNay
Secretary	Mr Martin Costello
Company number	01402218
Date of incorporation	28 November 1978
Registered office	Lynton House 7 - 12 Tavistock Square London WC1H 9BQ
Auditors	BSG Valentine Lynton House 7 - 12 Tavistock Square London WC1H 9BQ

COMPLETE MUSIC LIMITED

CONTENTS

	Page
Directors' report	1 to 2
Auditors' report	3
Profit and loss account	4
Balance sheet	5
Notes to the financial statements	6 to 8
<i>The following pages do not form part of the statutory financial statements</i>	
Management profit and loss account	9

COMPLETE MUSIC LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2000

The directors present their report and the audited financial statements for the company for the year ended 31 December 2000.

Principal activities

The company's principal activity continued to be that of music publishers.

Results

The results for the year are set out in the profit and loss account on page 4.

The directors and their interests

The directors who held office during the year and their beneficial interests in the company's issued share capital are given below:

Ordinary shares of 10p each

	31 December 2000	1 January 2000
Mr Martin Costello	200	200
Mr Iain Ronald McNay	600	600

Statement of 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 for that year. 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 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.

COMPLETE MUSIC LIMITED
DIRECTORS' REPORT (continued)
FOR THE YEAR ENDED 31 DECEMBER 2000

Auditors

The auditors, BSG Valentine, Chartered Accountants, will be proposed for reappointment in accordance with Section 385 of the Companies Act 1985.

Small company exemptions

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

By order of the Board

Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ



Mr Martin Costello
SECRETARY

Approved by the board: 16.10.01

**AUDITORS' REPORT TO THE
SHAREHOLDERS OF COMPLETE MUSIC LIMITED**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and 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 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 the 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 31 December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Lynton House
7 - 12 Tavistock Square
London
WC1H 9BQ

Date: 6.10.01



**BSG Valentine
Chartered Accountants
Registered Auditor**

COMPLETE MUSIC LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Notes	2000 £	1999 £
TURNOVER	2	1,124,599	1,260,835
Cost of sales		(603,677)	(495,998)
GROSS PROFIT		520,922	764,837
Administrative expenses		(510,389)	(747,408)
OPERATING PROFIT	3	10,533	17,429
Interest receivable		11,515	13,809
Interest payable and similar charges		(571)	-
PROFIT on ordinary activities before taxation		21,477	31,238
Tax on profit on ordinary activities	6	(2,854)	(6,900)
PROFIT for the financial year		18,623	24,338
Retained profit brought forward		457,340	433,002
Retained profit carried forward		475,963	457,340

All amounts relate to continuing activities.

There were no recognised gains or losses for 2000 or 1999 other than those included in the profit and loss account.

COMPLETE MUSIC LIMITED

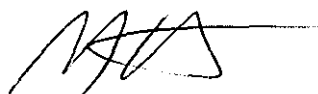
BALANCE SHEET

AS AT 31 DECEMBER 2000

	Notes	2000	1999
		£	£
FIXED ASSETS			
Tangible assets	7	57,306	52,807
Investments	8	66,816	71,777
		<u>124,122</u>	<u>124,584</u>
CURRENT ASSETS			
Stocks		17,500	10,000
Debtors	9	509,905	465,018
Cash at bank and in hand		118,208	357,268
		<u>645,613</u>	<u>832,286</u>
CREDITORS: Amounts falling due within one year	10	<u>(293,672)</u>	<u>(499,430)</u>
NET CURRENT ASSETS		<u>351,941</u>	<u>332,856</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>476,063</u>	<u>457,440</u>
CAPITAL AND RESERVES			
Called up share capital	11	100	100
Profit and loss account		475,963	457,340
SHAREHOLDERS' FUNDS	12	<u>476,063</u>	<u>457,440</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Signed on behalf of the board



Mr Martin Costello
Director

Approved by the board: 16.10.01

The notes on pages 6 to 8 form part of these financial statements.

COMPLETE MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention.

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

Turnover

Turnover represents royalties receivable, excluding VAT.

Depreciation

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

Motor vehicles	25% p.a reducing balance method
Fixtures and fittings	15% p.a straight line method
Equipment	20% p.a straight line method

Stocks

Stocks are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

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. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

2 TURNOVER

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 OPERATING PROFIT

The operating profit (1999:profit) is stated after charging:

	2000 £	1999 £
Depreciation of tangible fixed assets:		
-owned assets	20,507	18,050
Loss/(Profit) on disposal of fixed assets	7,223	(1,661)
Auditors' remuneration	5,945	5,950
	<u>23,675</u>	<u>22,339</u>

COMPLETE MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

4 DIRECTORS' REMUNERATION

	2000 £	1999 £
Directors' remuneration	<u>190,000</u>	<u>417,249</u>

5 RELATED PARTIES AND CONTROL

The company is under the control of the directors listed on page 1.

At the year end the amount owed to Mr Martin Costello was £3,655 and Mr Iain Ronald McNay was £740.

6 TAXATION

	2000 £	1999 £
Based on the profit (1999: profit) for the year:		
UK corporation tax at the small companies rate	4,000	6,900
Prior periods		
UK corporation tax	<u>(1,146)</u>	<u>-</u>
	<u>2,854</u>	<u>6,900</u>

7 TANGIBLE FIXED ASSETS

	Motor vehicles £	Fixtures fittings and equipment £	Total £
Cost			
At 1 January 2000	45,282	75,332	120,614
Additions	30,080	7,187	37,267
Disposals	<u>(23,950)</u>	<u>-</u>	<u>(23,950)</u>
At 31 December 2000	<u>51,412</u>	<u>82,519</u>	<u>133,931</u>
Depreciation			
At 1 January 2000	15,955	51,851	67,806
Charge for the year	9,429	11,078	20,507
Disposals	<u>(11,688)</u>	<u>-</u>	<u>(11,688)</u>
At 31 December 2000	<u>13,696</u>	<u>62,929</u>	<u>76,625</u>
Net book value			
At 31 December 2000	<u>37,716</u>	<u>19,590</u>	<u>57,306</u>
At 31 December 1999	<u>29,327</u>	<u>23,481</u>	<u>52,808</u>

COMPLETE MUSIC LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000

8 FIXED ASSET INVESTMENTS

	Other investments other than loans £	Total £
Cost		
At 1 January 2000	71,777	71,777
Disposals	(4,961)	(4,961)
At 31 December 2000	<u>66,816</u>	<u>66,816</u>
Net book value		
At 31 December 2000	<u>66,816</u>	<u>66,816</u>
At 31 December 1999	<u>71,777</u>	<u>71,777</u>

9 DEBTORS

	2000 £	1999 £
Trade debtors	500,439	460,439
Other debtors	9,466	4,579
	<u>509,905</u>	<u>465,018</u>

10 CREDITORS: Amounts falling due within one year

	2000 £	1999 £
Trade creditors	234,363	306,363
Other creditors	54,913	185,541
Directors' loans	4,396	7,526
	<u>293,672</u>	<u>499,430</u>

'Other creditors' include £42,066 (1999: £42,064) in respect of taxation and social security.

11 SHARE CAPITAL

	2000 £	1999 £
Authorised		
100,000 Ordinary shares of £0.10 each	<u>10,000</u>	<u>10,000</u>
Allotted		
1,000 Allotted, called up and fully paid ordinary shares of £0.10 each	<u>100</u>	<u>100</u>

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial year	18,623	24,338
Opening shareholders' funds	457,440	433,102
Closing shareholders' funds	<u>476,063</u>	<u>457,440</u>