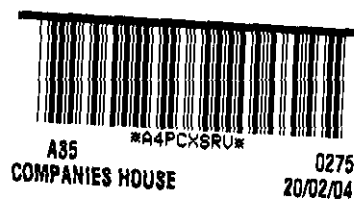


Company Registration No. 1495093 (England and Wales)

PERSEVERANCE LIMITED

DIRECTORS' REPORT
AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2003



PERSEVERANCE LIMITED

COMPANY INFORMATION

Directors	N J Holder J W Lea D G Powell D Hill
Secretary	D G Powell
Company number	1495093
Registered office	1 Pratt Mews London NW1 0AD
Accountants	Newman & Co Regent House 1 Pratt Mews London NW1 0AD

PERSEVERANCE LIMITED

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PERSEVERANCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 APRIL 2003

The directors present their report and financial statements for the year ended 30 April 2003.

Principal activities

The principal activity of the company continued to be that of record production and promotions for the Slade Entertainment Group.

Directors

The following directors have held office since 1 May 2002:

N J Holder
J W Lea
D G Powell
D Hill

Directors' interests

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

	Ordinary shares of £ 1 each	
	30 April 2003	1 May 2002
N J Holder	25	25
J W Lea	25	25
D G Powell	25	25
D Hill	25	25

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



N J Holder

Director

10 February 2004

PERSEVERANCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2003

	Notes	2003 £	2002 £
Turnover		36,410	52,579
Administrative expenses		(36,129)	(51,047)
Operating profit	2	281	1,532
Other interest receivable and similar income		127	120
Profit on ordinary activities before taxation		408	1,652
Tax on profit on ordinary activities	3	-	(223)
Profit on ordinary activities after taxation	8	408	1,429

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.

PERSEVERANCE LIMITED

BALANCE SHEET AS AT 30 APRIL 2003

	Notes	2003 £	£	2002 £	£
Fixed assets					
Tangible assets	4		428		535
Current assets					
Debtors	5	18,539		1,378	
Cash at bank and in hand		16,118		17,821	
		<u>34,657</u>		<u>19,199</u>	
Creditors: amounts falling due within one year	6	<u>(25,506)</u>		<u>(10,563)</u>	
Net current assets			9,151		8,636
Total assets less current liabilities			<u>9,579</u>		<u>9,171</u>
Capital and reserves					
Called up share capital	7		100		100
Profit and loss account	8		9,479		9,071
Shareholders' funds - equity interests	9		<u>9,579</u>		<u>9,171</u>

In preparing these financial statements:

- 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;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The directors acknowledge their responsibilities for:
 - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - 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.

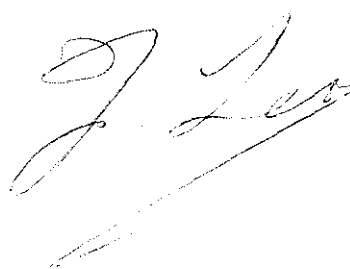
These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 10 February 2004



N J Holder
Director

J W Lea
Director



PERSEVERANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 2003

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 amounts receivable for services provided net of VAT.

1.4 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:

Musical equipment	20% reducing balance
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1.5 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.

1.6 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2	Operating profit	2003 £	2002 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	107	135
	and after crediting:		
	Profit on foreign exchange transactions	-	(5)
		<u> </u>	<u> </u>
3	Taxation	2003 £	2002 £
	Domestic current year tax		
	U.K. corporation tax	-	11
	Irrecoverable foreign tax	-	212
		<u> </u>	<u> </u>
	Current tax charge	-	223
		<u> </u>	<u> </u>

PERSEVERANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2003

4 Tangible fixed assets

	Musical equipment £
Cost	
At 1 May 2002 & at 30 April 2003	63,237
Depreciation	
At 1 May 2002	62,702
Charge for the year	107
At 30 April 2003	62,809
Net book value	
At 30 April 2003	428
At 30 April 2002	535

5 Debtors	2003 £	2002 £
Trade debtors	17,275	16
Other debtors	1,264	1,362
	18,539	1,378

6 Creditors: amounts falling due within one year	2003 £	2002 £
Bank loans and overdrafts	20,651	4,931
Trade creditors	-	1,488
Taxation and social security	855	11
Other creditors	4,000	4,133
	25,506	10,563

PERSEVERANCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 APRIL 2003

7	Share capital	2003	2002
		£	£
	Authorised		
	100 Ordinary shares of £ 1 each	100	100
		<u> </u>	<u> </u>
	Allotted, called up and fully paid		
	100 Ordinary shares of £ 1 each	100	100
		<u> </u>	<u> </u>
8	Statement of movements on profit and loss account		Profit and loss account
			£
	Balance at 1 May 2002		9,071
	Retained profit for the year		408
			<u> </u>
	Balance at 30 April 2003		9,479
			<u> </u>
9	Reconciliation of movements in shareholders' funds	2003	2002
		£	£
	Profit for the financial year	408	1,429
	Opening shareholders' funds	9,171	7,742
		<u> </u>	<u> </u>
	Closing shareholders' funds	9,579	9,171
		<u> </u>	<u> </u>
10	Related party transactions		

During the year the company paid Noddy Holder Music Limited, a company of which N J Holder is a director, a fee of £8,000 (2002 : £11,250). As at 30 April 2003 the company owed N J Holder Esq £1,000.

During the year the company paid Jim Lea Music Limited, a company of which J W Lea is a director, a fee of £8,000 (2002: £11,250). As at 30 April 2003 the company owed J W Lea Esq £1,000.

During the year the company paid Dave Hill (Music) Limited, a company of which D Hill is a director, a fee of £8,000 (2002: £11,250). As at 30 April 2003 the company owed D Hill Esq £1,000.

During the year the company paid fees of £8,000 (2002: £11,250) to D G Powell Esq. As at 30 April 2003 the company owed D G Powell Esq £1,000.

During the year the company received royalties of £33,150 (2002: £29,721) from Whild John Music Limited, a company of which N G Holder and J W Lea are directors.