

COMPANY NO: 1712438

OLDFIELD MUSIC OVERSEAS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

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OLDFIELD MUSIC OVERSEAS LIMITEDREPORT OF THE DIRECTORS

The Directors submit their Report and Accounts for the year ended 31st December 1998.

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 of the Company for that period. In preparing those financial statements, the Directors are required to:-

- select suitable accounting policies and then apply them consistently
- make judgments 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 to 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 of fraud and other irregularities.

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be Record Production, Live Musical Performances and Merchandising.

RESULTS AND DIVIDENDS

The trading profit for the year, after taxation amounted to £311,252.

A dividend of £3,000 per share was paid on 31st December 1998.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company is continuing a policy of expansion and the Directors are optimistic that the next accounting period will be a profitable one.

FIXED ASSETS

The movements in Fixed Assets are set out in Note 6 to the Accounts.

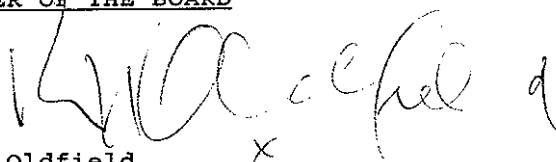
OLDFIELD MUSIC OVERSEAS LIMITEDREPORT OF THE DIRECTORS (Continued)DIRECTORS

The Directors of the Company, who have served during the year, are as shown below together with details of their interests in the shares of the Company.

	<u>31. 12. 98</u>	<u>31. 12. 97</u>
	<u>Ordinary £1</u>	<u>Ordinary £1</u>
M. G. OLDFIELD	99	99
DR. R. OLDFIELD	-	-
A. D. RUSSELL	-	-

TAXATION STATUS

The 'close company' provisions of the Income and Corporation Taxes Act 1988 apply to the Company and there is no undistributed income to be apportioned between the participators.

BY ORDER OF THE BOARD


X Dr. R. Oldfield
SECRETARY

112 Jermyn Street,
LONDON SW1Y 6LS

Dated: 13th January 1999

AUDITORS' REPORTTO THE MEMBERS OF OLDFIELD MUSIC OVERSEAS LIMITED

We have audited the financial statements on pages 4 to 9 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 in the Directors Report the Company's Directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

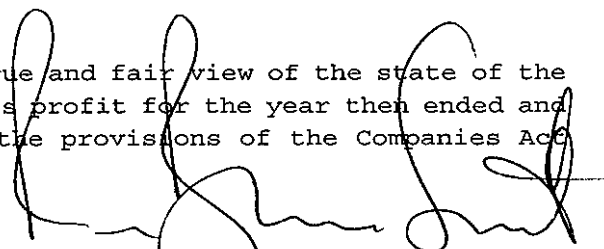
BASIS OF OPINION

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 adjustments 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 the 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 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 at 31st December 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small Companies.



ROSS, BENNET-SMITH
Registered Auditors and
Chartered Accountants

112 Jermyn Street,
LONDON SW1Y 6LS

Dated: 13th January 1999

OLDFIELD MUSIC OVERSEAS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1998

		<u>1998</u>		<u>1997</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FEES RECEIVABLE</u>	1		833,224		737,661
Salaries		23,040		27,642	
Depreciation		7,983		9,182	
Other Operating Charges		418,696		260,194	
			449,719		297,018
<u>OPERATING PROFIT</u>			383,505		440,643
Interest Payable	2	1,171		-	
Interest Receivable	3	29,178		20,723	
			28,007		20,723
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	4		411,512		461,366
Taxation	5		100,260		149,360
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>			311,252		312,006
Dividends			300,000		275,000
			11,252		37,006
<u>RETAINED PROFIT/(LOSS) Brought Forward</u>			6,077		(30,929)
<u>RETAINED PROFIT/ (DEFICIT) Carried Forward</u>			17,329		6,077

OLDFIELD MUSIC OVERSEAS LIMITEDBALANCE SHEETAS AT 31ST DECEMBER 1998

		<u>1998</u>		<u>1997</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>	6		31,934		36,729
<u>CURRENT ASSETS</u>					
Debtors	7	702,557		665,718	
Bank Balances		490,646		522,177	
		1,193,203		1,187,895	
<u>CREDITORS</u>					
Amounts Falling Due Within One Year	8	1,207,708		1,218,447	
<u>NET CURRENT (LIABILITIES)</u>			(14,505)		(30,552)
<u>NET ASSETS</u>			17,429		6,177
<u>Financed by:</u>					
<u>CAPITAL AND RESERVES</u>					
Share Capital	9		100		100
Profit and Loss Account			17,329		6,077
			17,429		6,177
.....					
M. G. OLDFIELD ESQ					

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTSFOR THE YEAR ENDED 31ST DECEMBER 19981. ACCOUNTING POLICIESa) Accounting Convention:

The Accounts are prepared under the historical cost convention.

The Company has taken advantage of the exemption given in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small Company.

b) Turnover:

This is the amount receivable for the year, net of Value Added Tax, for services provided.

c) Depreciation:

Equipment is depreciated to write off the cost on a reducing balance basis at an annual rate of 20%.

2. INTEREST PAYABLE

Overdue Taxation

1998

£

1,171

1997

£

-

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31ST DECEMBER 1998

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
3. <u>INTEREST RECEIVABLE</u>		
Bank Deposit Interest	29,178	20,723
	<u> </u>	<u> </u>
4. <u>PROFIT BEFORE TAXATION</u>		
Profit before taxation is after accounting for:-		
Directors' Remuneration	21,000	22,642
Audit Fee	1,000	1,000
	<u> </u>	<u> </u>
5. <u>TAXATION</u>		
United Kingdom Corporation Tax payable on results for the year	125,300	152,250
Overprovision in respect of previous year	(25,040)	(2,890)
	<u> </u>	<u> </u>
	100,260	149,360
	<u> </u>	<u> </u>

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31ST DECEMBER 1998

	<u>Equipment</u>
6. <u>FIXED ASSETS</u>	<u>£</u>
<u>Cost:</u>	
At beginning of the year	88,113
Additions	3,188
	<hr/>
	91,301
	<hr/>
<u>Depreciation:</u>	
At beginning of year	51,384
Provided this year	7,983
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At end of year	59,367
	<hr/>
<u>Net Book Value:</u>	
At beginning of year	36,729
	<hr/>
At end of year	31,934
	<hr/>

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31ST DECEMBER 1998

	<u>1998</u>	<u>1997</u>
	<u>£</u>	<u>£</u>
7. <u>DEBTORS</u>		
Loan Receivable : Associated Companies	699,024	665,572
Other Debtors and prepayments	3,533	146
	<hr/>	<hr/>
	702,557	665,718
	<hr/>	<hr/>
8. <u>CREDITORS</u> <u>Amounts Falling Due</u> <u>Within One Year:</u>		
Trade Creditors	45,713	2,333
Loan Repayable : Director	996,976	1,028,303
Corporation Tax	125,300	152,250
Other Taxes and Social Security Costs	19,719	19,664
Accruals	20,000	15,897
	<hr/>	<hr/>
	1,207,708	1,218,447
	<hr/>	<hr/>
9. <u>SHARE CAPITAL</u>		
<u>Authorized, Issued and Fully Paid:</u>		
100 Ordinary Shares of £1 each	100	100
	<hr/>	<hr/>
10. <u>PENSION COMMITMENTS</u>		
The Company has a small self-administered pension scheme for its present Directors.		
Premiums paid to this scheme during the year were as follows:-	5,000	5,000
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