

COMPANY NO: 1712438

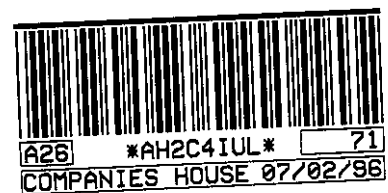
OLDFIELD MUSIC OVERSEAS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1995

CONTENTS:

Pages 1 and 2	:	Directors' Report
Page 3	:	Auditors' Report
Page 4	:	Profit and Loss Account
Page 5	:	Balance Sheet
Pages 6 to 9	:	Notes on the Accounts



OLDFIELD MUSIC OVERSEAS LIMITED**REPORT OF THE DIRECTORS**

The Directors submit their Report and Accounts for the year ended 31st December 1995.

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 £ 271,824.

The Directors recommend a dividend of £3,750 per share.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

The Company is continuing a policy of expansion and the Directors are optimistic that current trading indicates 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. 95</u>	<u>31. 12. 94</u>
	<u>Ordinary £1</u>	<u>Ordinary £1</u>
M. G. OLDFIELD	99	99
DR. R. OLDFIELD	NIL	NIL
A. D. RUSSELL	NIL	NIL

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 participants.

AUDITORS

The Auditors, Messrs. Ross, Bennet-Smith have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

BY ORDER OF THE BOARD

Dr. R. Oldfield
SECRETARY



112 Jermyn Street,
LONDON SW1Y 6LS

Dated: 12th January 1996

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

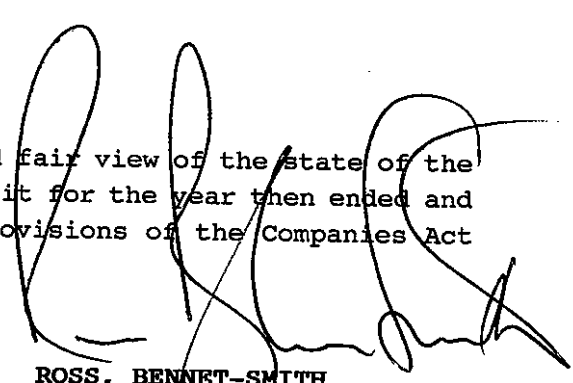
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and adjustments 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 1995 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.

112 Jermyn Street,
LONDON SW1Y 6LS



ROSS, BENNET-SMITH
Registered Auditors and
Chartered Accountants

Dated: 12th January 1996

OLDFIELD MUSIC OVERSEAS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1995

		<u>1995</u>		<u>1994</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FEES RECEIVABLE</u>	1		860,431		718,034
Depreciation		8,621		10,776	
Other Operating Charges		353,079		735,532	
			361,700		746,308
<u>OPERATING PROFIT/(LOSS)</u>			498,731	(28,274)	
Interest Payable	2	(146)		(528)	
Interest Receivable	3	25,105		41,579	
			24,959		41,051
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>	4		523,690		12,777
Taxation	5		(251,866)		(3,123)
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES AFTER TAXATION</u>			271,824		9,654
Dividends			375,000		--
<u>RETAINED PROFIT</u> <u>Brought Forward</u>			(103,176)		9,654
			185,841		176,187
<u>RETAINED PROFIT</u> <u>Carried Forward</u>			82,665		185,841
			=====		=====

OLDFIELD MUSIC OVERSEAS LIMITEDBALANCE SHEETAS AT 31ST DECEMBER 1995

		<u>1995</u>		<u>1994</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>	6		34,484		43,105
<u>CURRENT ASSETS</u>					
Debtors	7	1,231,824		937,874	
Bank Balances		471,703		958,814	
		1,703,527		1,896,688	
<u>CREDITORS</u>					
Amounts Falling Due Within One Year	8	1,655,246		1,753,852	
<u>NET CURRENT ASSETS</u>			48,281		142,836
<u>NET ASSETS</u>			82,765		185,941
			=====		=====
<u>Financed by:</u>					
<u>CAPITAL AND RESERVES</u>					
Share Capital	9		100		100
Profit and Loss Account			82,665		185,841
			82,765		185,941
			=====		=====



M. G. OLDFIELD ESQ

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTSFOR THE YEAR ENDED 31ST DECEMBER 19951. 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

Bank Overdraft

1995£1994£

146

528

=====

=====

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31ST DECEMBER 1995

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
3. <u>INTEREST RECEIVABLE</u>		
Bank Deposit Interest	25,105	41,579
	=====	=====
4. <u>PROFIT BEFORE TAXATION</u>		
Profit before taxation is after accounting for:-		
Directors' Remuneration	23,290	240,417
Audit Fee	3,000	3,000
	=====	=====
5. <u>TAXATION</u>		
United Kingdom Corporation Tax payable on results for the year at 25%	172,776	3,123
Unrelieved Withholding Tax	79,090	--
	-----	-----
	251,866	3,123
	=====	=====

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31ST DECEMBER 1995

	<u>Equipment</u>
6. <u>FIXED ASSETS</u>	<u>£</u>
<u>Cost:</u>	
At beginning and end of year	65,209 =====
<u>Depreciation:</u>	
At beginning of year	22,104
Provided this year	8,621 _____
At end of year	30,725 =====
<u>Net Book Value:</u>	
At beginning of year	43,105 =====
At end of year	34,484 =====

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31ST DECEMBER 1995

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
7. <u>DEBTORS</u>		
Loan Receivable : Associated Company	1,218,256	843,167
Other Debtors and prepayments	13,568	94,707
	<hr/>	<hr/>
	1,231,824	937,874
	=====	=====
8. <u>CREDITORS</u> Amounts Falling Due <u>Within One Year:</u>		
Trade Creditors	103,553	103,553
Loan Repayable : Director	950,099	1,163,099
Corporation Tax	172,776	3,123
Other Taxes and Social Security Costs	413,318	469,577
Accruals	15,500	14,500
	<hr/>	<hr/>
	1,655,246	1,753,852
	=====	=====
9. <u>SHARE CAPITAL</u>		
<u>Authorized, Issued and Fully Paid:</u>		
100 Ordinary Shares of £1 each	100	100
	=====	=====
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:-	--	--
	=====	=====