

COMPANY NO: 1712438

OLDFIELD MUSIC OVERSEAS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

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

The Directors submit their Report and Accounts for the year ended 31st December 2001.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements for each financial year which gives a true and fair view of the state of affairs of the Company and of the profit and 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 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 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 £49,709

A dividend of £112.50 per share was paid on 31st December 2001.

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 5 to the Accounts.

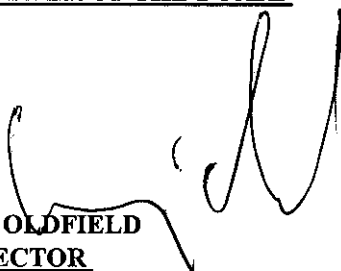
OLDFIELD MUSIC OVERSEAS LIMITED**REPORT OF THE DIRECTORS (Continued)****DIRECTORS**

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

| | <u>Ordinary £1 Shares</u> | |
|--------------|----------------------------------|--------------------|
| | <u>2001</u> | <u>2000</u> |
| M G Oldfield | 99 | 99 |
| | <hr/> | <hr/> |

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

M G OLDFIELD
DIRECTOR

112 Jermyn Street
London SW1Y 6LS

Dated: 11th January 2002

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE
UNAUDITED ACCOUNTS OF OLDFIELD MUSIC OVERSEAS LIMITED

We report on the accounts for the year ended 31st December 2001 set out on pages 4 to 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 1, the Company's Directors are responsible for the preparation of the accounts and they consider that the Company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the Company, and making such limited enquiries of the officers of the Company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:-

- (a) the accounts are in agreement with the accounting records kept by the Company under Section 221 of the Companies Act 1985.
- (b) having regard only to, and on the basis of, the information contained in those accounting records:-
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).

112 Jermyn Street
LONDON SW1Y 6LS


ROSS, BENNET-SMITH
Chartered Accountants

Dated: 11th January 2002

OLDFIELD MUSIC OVERSEAS LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31ST DECEMBER 2001**

| | <u>Note</u> | <u>2001</u> | <u>2000</u> |
|---|-------------|-------------|-------------|
| | | <u>£</u> | <u>£</u> |
| <u>FEES RECEIVABLE</u> | 1 | 300,882 | 332,799 |
| Salaries | | 1,000 | 164,912 |
| Depreciation | | 4,522 | 5,653 |
| Other Operating Charges | | 240,331 | 106,591 |
| | | <hr/> | <hr/> |
| | | 245,853 | 277,156 |
| | | <hr/> | <hr/> |
| <u>OPERATING PROFIT</u> | | 55,029 | 55,643 |
| Interest Receivable | 3 | 14,363 | 18,954 |
| <u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u> | 4 | 69,392 | 74,597 |
| Taxation | 5 | 19,683 | 15,000 |
| <u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u> | | 49,709 | 59,597 |
| Dividends | | 45,000 | 60,000 |
| | | <hr/> | <hr/> |
| | | 4,709 | (403) |
| <u>RETAINED PROFIT BROUGHT FORWARD</u> | | 434,150 | 434,553 |
| | | <hr/> | <hr/> |
| <u>RETAINED PROFIT CARRIED FORWARD</u> | | 438,859 | 434,150 |
| | | <hr/> <hr/> | <hr/> <hr/> |

OLDFIELD MUSIC OVERSEAS LIMITED**BALANCE SHEET****AS AT 31ST DECEMBER 2001**

| | <u>Note</u> | <u>2001</u> | <u>2000</u> |
|--|-------------|-------------|-------------|
| | | <u>£</u> | <u>£</u> |
| <u>FIXED ASSETS</u> | 6 | 18,087 | 22,609 |
| <u>CURRENT ASSETS</u> | | | |
| Debtors | 7 | 267,896 | 353,394 |
| Bank Balances | | 243,344 | 432,009 |
| | | <hr/> | <hr/> |
| | | 511,240 | 785,403 |
| <u>CREDITORS</u> | | | |
| Amounts Falling Due Within One Year | 8 | 90,368 | 373,762 |
| | | <hr/> | <hr/> |
| <u>NET CURRENT ASSETS/(LIABILITIES)</u> | | 420,872 | 411,641 |
| | | <hr/> | <hr/> |
| <u>NET ASSETS</u> | | 438,959 | 434,250 |
| | | <hr/> | <hr/> |
| <u>Financed by:</u> | | | |
| <u>CAPITAL AND RESERVES</u> | | | |
| Share Capital | 9 | 100 | 100 |
| Profit and Loss Account | | 438,859 | 434,150 |
| | | <hr/> | <hr/> |
| | | 438,959 | 434,250 |
| | | <hr/> | <hr/> |

OLDFIELD MUSIC OVERSEAS LIMITED**BALANCE SHEET (Continued...)****AS AT 31ST DECEMBER 2001**

In preparing these unaudited financial statements advantage has been taken of the exemption under section 249A(1) of the Companies Act 1985. No notice requiring an audit has been deposited by members under section 249B(2).

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 and which comply with the provisions of the Companies Act 1985. 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. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

These financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000)

ON BEHALF OF THE BOARD
.....
DIRECTOR

OLDFIELD MUSIC OVERSEAS LIMITED

NOTES ON THE ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 2001

1 ACCOUNTING POLICIES

a) **Accounting Convention:**

The Accounts are prepared under the historical cost convention on a going concern basis with the continued support of the creditors. Should this support cease then the going concern basis would not be appropriate and adjustments would need to be made to the Accounts to reflect this.

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 | <u>INTEREST RECEIVABLE</u> | <u>2001</u> | <u>2000</u> |
| | | <u>£</u> | <u>£</u> |
| | Bank Deposit Interest | 14,363 | 18,954 |
| 3 | <u>PROFIT BEFORE TAXATION</u> | <u>=====</u> | <u>=====</u> |
| | Profit before taxation is after accounting for:- | | |
| | Directors' Remuneration | 1,000 | 1,000 |
| | Audit Fee | 1,000 | 1,000 |
| 4 | <u>TAXATION</u> | <u>=====</u> | <u>=====</u> |
| | United Kingdom Corporation Tax payable on results for the year | 14,100 | 15,000 |
| | Under/(Overprovision) in respect of previous year | 5,583 | - |
| | | <u>=====</u> | <u>=====</u> |
| | | 19,683 | 15,000 |
| | | <u>=====</u> | <u>=====</u> |

OLDFIELD MUSIC OVERSEAS LIMITED**NOTES ON THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2001**

| | | | |
|---|--|-------------------------|--------------------|
| 5 | <u>FIXED ASSETS</u> | <u>Equipment</u> | |
| | | <u>£</u> | |
| | <u>Costs</u> | | |
| | At beginning and end of year | 94,016 | |
| | | <hr/> | |
| | <u>Depreciation</u> | | |
| | At beginning of year | 71,407 | |
| | Provided this year | 4,522 | |
| | | <hr/> | |
| | At end of year | 75,929 | |
| | | <hr/> | |
| 6 | <u>Net Book Value</u> | | |
| | At beginning of year | 22,609 | |
| | | <hr/> | |
| | At end of year | 18,087 | |
| | | <hr/> | |
| | <u>DEBTORS</u> | <u>2001</u> | <u>2000</u> |
| | | <u>£</u> | <u>£</u> |
| | Loan Receivable : Associated Companies | 257,246 | 350,277 |
| | Other Debtors and Prepayments | 10,650 | 3,117 |
| | | <hr/> | <hr/> |
| | | 267,896 | 353,394 |
| | | <hr/> | <hr/> |

OLDFIELD MUSIC OVERSEAS LIMITED**NOTES ON THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31ST DECEMBER 2001**

| | | | |
|---|---|--------------------|--------------------|
| 7 | <u>CREDITORS: Amounts Falling Due</u> | <u>2001</u> | <u>2000</u> |
| | <u>Within One Year:</u> | <u>£</u> | <u>£</u> |
| | Trade Creditors | - | 54,375 |
| | Loan Repayable : Director | 40,688 | 192,077 |
| | Corporation Tax | 14,100 | 15,000 |
| | Other Taxes and Social Security Costs | 7,615 | 85,132 |
| | Accruals | 27,965 | 27,178 |
| | | <hr/> | <hr/> |
| | | 90,368 | 373,762 |
| | | <hr/> | <hr/> |
| 8 | <u>SHARE CAPITAL</u> | | |
| | <u>Authorised, Issued and Fully Paid</u> | | |
| | 100 Ordinary Shares at £1 each | 100 | 100 |
| | | <hr/> | <hr/> |
| 9 | <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 amounted to: | 5,000 | 5,000 |
| | | <hr/> | <hr/> |

OLDFIELD MUSIC OVERSEAS LIMITED
STATEMENT OF OTHER OPERATING CHARGES
FOR THE YEAR ENDED 31ST DECEMBER 2001

| | <u>2001</u> | <u>2000</u> |
|-----------------------------------|--------------------|--------------------|
| | <u>£</u> | <u>£</u> |
| Recording Costs | 19,294 | 13,000 |
| Management Commission | 173,730 | 21,118 |
| Royalties Payable | 622 | 1,918 |
| Travelling Expenses | 3,830 | 3,171 |
| Rent | 7,766 | 8,892 |
| Legal and Professional Charges | 8,595 | 20,827 |
| Audit & Accountancy Fees | 15,000 | 16,000 |
| Bank Charges | 519 | 274 |
| Repairs and Renewals to Equipment | - | 326 |
| Equipment Hire | 10,000 | 20,000 |
| Office Expenses | 975 | 1,065 |
| | <hr/> | <hr/> |
| | 240,331 | 106,591 |
| | <hr/> | <hr/> |