

COMPANY NO: 1712438

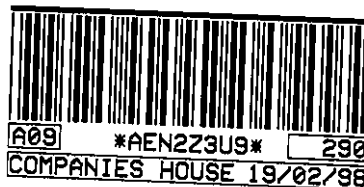
OLDFIELD MUSIC OVERSEAS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31ST DECEMBER 1997

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OLDFIELD MUSIC OVERSEAS LIMITEDREPORT OF THE DIRECTORS

The Directors submit their Report and Accounts for the year ended 31st December 1997.

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 £312,006

A dividend of £2,750 per share was paid on 31st December 1997.

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. 97</u>	<u>31. 12. 96</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: 7th January 1998

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

We report on the accounts for the year ended 31st December 1997 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.

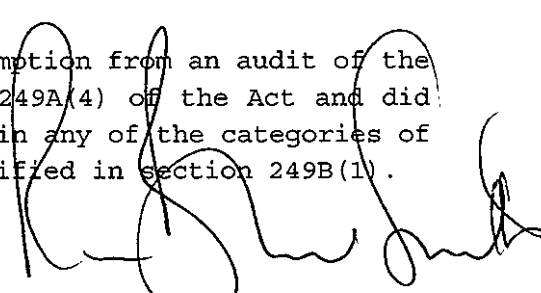
OPINION

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

7th January 1998



ROSS, BENNET-SMITH
CHARTERED ACCOUNTANTS

OLDFIELD MUSIC OVERSEAS LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST DECEMBER 1997

		<u>1997</u>	<u>1996</u>
	<u>Note</u>	<u>£</u>	<u>£</u>
<u>FEES RECEIVABLE</u>	1	737,661	60,957
Salaries		27,642	23,142
Depreciation		9,182	11,477
Other Operating Charges		260,194	177,413
		<hr/>	<hr/>
		297,018	212,032
		<hr/>	<hr/>
<u>OPERATING (PROFIT / LOSS)</u>		440,643	(151,075)
Interest Payable	2	-	(281)
Interest Receivable	3	20,723	11,671
		<hr/>	<hr/>
		20,723	11,390
		<hr/>	<hr/>
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	4	461,366	(139,685)
Taxation	5	149,360	(26,091)
		<hr/>	<hr/>
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		312,006	(113,594)
		275,000	
Dividends			-
		<hr/>	<hr/>
		37,006	(113,594)
<u>RETAINED PROFIT Brought Forward</u>		(30,929)	82,665
		<hr/>	<hr/>
<u>RETAINED /(DEFICIT) PROFIT Carried Forward</u>		6,077	(30,929)
		=====	=====

OLDFIELD MUSIC OVERSEAS LIMITEDBALANCE SHEETAS AT 31ST DECEMBER 1997

		<u>1997</u>		<u>1996</u>	
	<u>Note</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>	6		36,729		45,911
<u>CURRENT ASSETS</u>					
Debtors	7	665,718		711,322	
Bank Balances		522,177		39,665	
		<hr/>		<hr/>	
		1,187,895		750,987	
<u>CREDITORS</u>					
Amounts Falling Due Within One Year	8	1,218,447		827,727	
		<hr/>		<hr/>	
<u>NET CURRENT (LIABILITIES)/ASSETS</u>			(30,552)		(76,740)
			<hr/>		<hr/>
<u>NET ASSETS/(LIABILITIES)</u>			6,177		(30,829)
			=====		=====
<u>Financed by:</u>					
<u>CAPITAL AND RESERVES</u>					
Share Capital	9		100		100
Profit and Loss Account			6,077		(30,929)
			<hr/>		<hr/>
			6,177		(30,829)
			=====		=====

OLDFIELD MUSIC OVERSEAS LIMITEDBALANCE SHEET (Continued)AS AT 31ST DECEMBER 1997

For the year ended 31st December 1997, the company was entitled to the exemption conferred by subsection (1) of the section 249A of the Companies Act 1985.

No notice has been deposited under subsection (2) of section 249B Companies Act 1985 in relation to its accounts for the financial year.

The directors acknowledge their responsibility for:

i) Ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and

ii) 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 the Act relating to accounts, so far as applicable to the company.

ON BEHALF OF THE BOARD

.....
DIRECTOR

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTSFOR THE YEAR ENDED 31ST DECEMBER 19971. 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%.

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
2. <u>INTEREST PAYABLE</u>		
Bank Overdraft	-	281
	=====	=====

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31ST DECEMBER 1997

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
3. <u>INTEREST RECEIVABLE</u>		
Bank Deposit Interest	20,723	11,671
	=====	=====
4. <u>PROFIT BEFORE TAXATION</u>		
Profit before taxation is after accounting for:-		
Directors' Remuneration	22,642	23,142
Audit Fee	1,000	-
	=====	=====
5. <u>TAXATION</u>		
United Kingdom Corporation Tax payable on results for the year	152,250	-
Overprovision in respect of previous year	(2,890)	(26,091)
	-----	-----
	149,360	(26,091)
	=====	=====

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31ST DECEMBER 1997

	<u>Equipment</u>
6. <u>FIXED ASSETS</u>	<u>£</u>
<u>Cost:</u>	
At beginning of end of year	88,113 =====
<u>Depreciation:</u>	
At beginning of year	42,202
Provided this year	9,182 -----
At end of year	51,384 =====
<u>Net Book Value:</u>	
At beginning of year	45,911 =====
At end of year	36,729 =====

OLDFIELD MUSIC OVERSEAS LIMITEDNOTES ON THE ACCOUNTS (Continued)FOR THE YEAR ENDED 31ST DECEMBER 1997

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
7. <u>DEBTORS</u>		
Loan Receivable : Associated Companies	665,572	682,022
Other Debtors and prepayments	146	29,300
	<hr/>	<hr/>
	665,718	711,322
	=====	=====
8. <u>CREDITORS</u> Amounts Falling Due <u>Within One Year:</u>		
Trade Creditors	2,333	2,333
Loan Repayable : Director	1,028,303	798,913
Corporation Tax	152,250	-
Other Taxes and Social Security Costs	19,664	10,082
Accruals	15,897	16,399
	<hr/>	<hr/>
	1,218,447	827,727
	=====	=====
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:-	5,000	--
	=====	=====