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Academy of London Limited

Annual report for the year ended 31 August 1995

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Directors' report

The directors present their report and audited financial statements for the year ended 31 August 1995.

Principal activity

The principal activity of the company continues to be organising orchestral concerts and making musical recordings.

Review of business and future developments

The level of business was satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Results

The loss for the year amounted to £16,404 (1994:£53,822) which has been transferred from reserves. The directors do not recommend the payment of a dividend.

Fixed assets

Movements of fixed assets during the year are set out in note 6 to the accounts.

Directors

The directors of the company during the year were:

J R Stamp
A J Pepper

J R Stamp owned 20 of the issued ordinary shares in the company at 31 August 1994 and at 31 August 1995. The other director had no interest in the shares of the company at 31 August 1995.

Elective resolutions

An elective resolution under section 379A of Companies Act 1985 in respect of certain provisions was passed at the 1991 annual general meeting. The provisions of this elective resolution apply for subsequent years until the election is revoked. The provisions are that the company has dispensed with:

- a) the laying of the annual report and financial statements before the company in general meeting;

Directors' report (Continued)

Elective resolutions (Continued)

- b) the holding of an annual general meeting; and
- c) the requirement to re-appoint annually the auditors of the company in a general meeting.

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 at the end of the year 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 apply them consistently and make judgements and estimates that are reasonable and prudent.

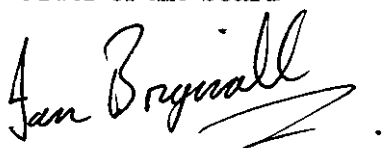
The directors must also state whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements which must be prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for the maintenance of adequate accounting records in compliance with the Companies Act 1985, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.

Auditors

As a consequence of the elective resolution in (c) above, Coopers & Lybrand are deemed to be re-appointed for each succeeding financial year.

By Order of the board



Secretary

23 October 1996

**Report of the auditors to the members of
Academy of London Limited**

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of director and auditors

As described on page 2 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.

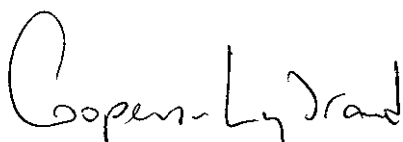
Basis of opinion

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 judgements made by the directors in 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 31 August 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Chartered Accountants and Registered Auditors
London

23 October 1996

Profit and loss account for the year ended 31 August 1995

	Notes	1995 £	1994 £
Turnover	1		
Donations		21,600	28,856
Sponsorship		163,000	97,067
Corporate Membership		3,500	2,000
Concert fees and sales		56,350	35,355
Recording income		213	92
Other		2,019	499
		<u>246,682</u>	<u>163,869</u>
Concert costs			
Venue hire and related expenses		42,304	16,973
Artist's fees		92,996	85,419
		<u>(135,300)</u>	<u>(102,392)</u>
Gross profit		<u>111,382</u>	<u>61,477</u>
Other operating expenses			
Management/professional fees		4,961	1,706
Advertising and publicity		2,927	18,316
Printing and stationery		12,695	17,561
Travel and accommodation		51,357	29,044
Postage and telephones		8,441	5,986
Depreciation		236	236
Sundry		11,046	14,975
Salaries	2	28,254	22,858
Other		1,340	839
		<u>(121,257)</u>	<u>(111,521)</u>
Operating loss		<u>(9,875)</u>	<u>(50,044)</u>
Interest payable	3	<u>(6,529)</u>	<u>(3,778)</u>
Loss on ordinary activities before taxation	4	<u>(16,404)</u>	<u>(53,822)</u>
Taxation	5	-	-
Loss on ordinary activities after taxation	11	<u><u>(16,404)</u></u>	<u><u>(53,822)</u></u>

The results above all arise from continuing activities.

The company has no recognised gains and losses other than the results above and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the loss on ordinary activities before taxation and the retained loss for the year stated above, and their historical cost equivalents.

Academy of London Limited

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Balance sheet at 31 August 1995

	Notes	1995 £	1994 £
Fixed assets			
Tangible fixed assets	6	-	236
		<u> </u>	<u> </u>
Current assets			
Debtors	7	887	3,754
Cash in hand		-	1,340
		<u> </u>	<u> </u>
		887	5,094
		<u> </u>	<u> </u>
Creditors: amounts falling due within one year:			
Bank overdraft	9	95,250	77,032
Trade creditors		13,924	27,624
Other creditors		11,867	4,424
Loan	8	5,000	5,000
		<u> </u>	<u> </u>
		(126,041)	(114,080)
		<u> </u>	<u> </u>
Net current liabilities		(125,154)	(108,986)
		<u> </u>	<u> </u>
Net liabilities		(125,154)	(108,750)
		<u> </u>	<u> </u>
Capital and reserves			
Called up share capital	10	54	54
Profit and loss account	11	(125,208)	(108,804)
		<u> </u>	<u> </u>
Equity shareholders' funds	12	(125,154)	(108,750)
		<u> </u>	<u> </u>

The financial statements on pages 4 to 9 were approved by the board of directors on 23 October 1996 and were signed on its behalf by:

Richard Stamp

Director

**Notes to the financial statements
for the year ended 31 August 1995****1 Principal accounting policies**

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. The company is exempt from preparing a cashflow statement by virtue of its size. A summary of the more important accounting policies, which have been applied consistently, is set out below.

a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention, and as a going concern for the reasons set out in note 9.

b) Turnover

Donations comprise amounts received during the period. Other income and expenditure items relate to concerts held during the period.

c) Depreciation

Depreciation is provided on all tangible fixed assets at the rate of 20% per annum, on a straight line basis.

2 Directors and employees

During the year no fees or other emoluments were paid to the directors (1994:£nil).

The average weekly number of employees during the year was one (1994:£nil).

	1995 £	1994 £
Staff costs		
Wages and salaries	25,491	16,925
Social security costs	2,763	5,933
	<u>28,254</u>	<u>22,858</u>

**Notes to the financial statements
for the year ended 31 August 1995 (Continued)**

3 Interest payable

	1995 £	1994 £
On bank overdraft repayable within 5 years, not by instalments	<u>6,529</u>	<u>3,778</u>

4 Loss on ordinary activities before taxation

No remuneration is payable to the company's auditors for provision of services to the company (1994:£nil).

5 Taxation

No provision for taxation has been made as the company has incurred a loss during the year (1994:£nil). There are tax losses of approximately £70,000 to carry forward against future profits.

6 Tangible fixed assets

	Computer Equipment £	Fixtures & Fittings £	Total £
Cost			
At 1 September 1994/1995	<u>1,890</u>	<u>1,179</u>	<u>3,069</u>
Depreciation			
At 1 September 1994	1,890	943	2,833
Charge for period	<u>-</u>	<u>236</u>	<u>236</u>
At 31 August 1995	<u>1,890</u>	<u>1,179</u>	<u>3,069</u>
Net Book Value			
At 31 August 1995	<u>-</u>	<u>-</u>	<u>-</u>
At 1 September 1994	<u>-</u>	<u>236</u>	<u>236</u>

**Notes to the financial statements
for the year ended 31 August 1995 (Continued)**

7 Debtors

	1995 £	1994 £
Trade debtor	887	2,986
Prepayments	-	-
Other debtors	-	768
	<u>887</u>	<u>3,754</u>

8 Loan

	1995 £	1994 £
Unsecured loan from a director	<u>5,000</u>	<u>5,000</u>

9 Overdraft facilities

The company had an overdraft facility with Barclays Bank to an amount of £100,000, utilised to £77,950 at 27 July 1995. This facility was personally guaranteed by a director, Richard Stamp, to a limit of £100,000.

On 27 July 1995 this facility was closed and transferred to Bank Austria. The facility is utilised to £95,414 at the year end date. The facility has also been personally guaranteed by Richard Stamp to an amount of £100,000. All sums outstanding under the facility shall be repayable on demand. The facility shall be reviewed annually in May.

10 Share capital

	No.	£
Authorised share capital at 1 September 1994 and 31 August 1995		
Ordinary £1 shares	<u>100</u>	<u>100</u>
Issued and fully paid at 1 September 1994 and 31 August 1995		
Ordinary £1 shares	<u>54</u>	<u>54</u>

**Notes to the financial statements
for the year ended 31 August 1995 (Continued)****11 Profit and loss account**

£

Accumulated deficit

At 1 September 1994

108,804

Loss for the period

16,404

At 31 August 1995

125,208**12 Reconciliation of shareholders funds**

£

Accumulated deficit

At 1 September 1994

108,750

Loss for the period

16,404

At 31 August 1995

125,154