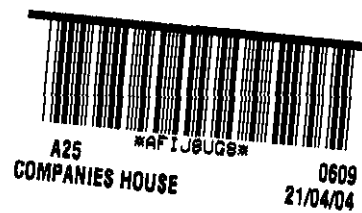


Company Registration No. 03194214 (England and Wales)

IXION PUBLISHING LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2003



Berley
Chartered Accountants
76 New Cavendish Street
LONDON W1G 9TB

IXION PUBLISHING LIMITED

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IXION PUBLISHING LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2003

The directors present their report and financial statements for the year ended 30 June 2003.

Principal activities

The principal activity of the company during the year was that of music publishing.

Directors

The following directors have held office since 1 July 2002:

K J Kashif
T Kashif
M Oates
T R Oates

Directors' interests

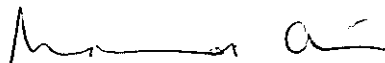
The directors' interests in the shares of the company were as stated below:

	Ordinary 'A' shares of £ 1 each	
	30 June 2003	1 July 2002
K J Kashif	-	-
T Kashif	1	1
M Oates	-	-
T R Oates	-	-

	Ordinary 'B' shares of £ 1 each	
	30 June 2003	1 July 2002
K J Kashif	-	-
T Kashif	-	-
M Oates	-	-
T R Oates	-	-

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



M Oates
Director
2 April 2004



IXION PUBLISHING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 JUNE 2003

		2003 £	2002 £
	Notes		
Turnover		91,414	123,152
Administrative expenses		(91,390)	(123,101)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		24	51
Tax on profit on ordinary activities	2	-	-
		<hr/>	<hr/>
Profit on ordinary activities after taxation	6	<u>24</u>	<u>51</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

IXION PUBLISHING LIMITED

BALANCE SHEET AS AT 30 JUNE 2003


	Notes	2003 £	£	2002 £	£
Current assets					
Debtors	3	48,960		11,247	
Cash at bank and in hand		1,622		11,911	
		<u>50,582</u>		<u>23,158</u>	
Creditors: amounts falling due within one year	4	<u>(50,284)</u>		<u>(22,884)</u>	
Total assets less current liabilities			<u>298</u>		<u>274</u>
Capital and reserves					
Called up share capital	5		2		2
Profit and loss account	6		296		272
Shareholders' funds - equity interests	7		<u>298</u>		<u>274</u>

In preparing these financial statements:

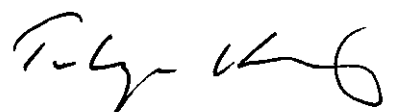
- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (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 this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 2 April 2004


M Oates
Director

T Kashif
Director



IXION PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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

1.2 Turnover

Turnover represents royalty receivable net of VAT.

1.3 Deferred taxation

The accounting policy in respect of deferred tax has been changed to reflect the requirements of FRS19 - Deferred tax. Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. Any future deferred tax balance will not be discounted.

2 Taxation

The company has estimated losses of £ nil (2002: £ 24) available for carry forward against future trading profits.

On the basis of these financial statements no provision has been made for corporation tax.

3 Debtors	2003 £	2002 £
Other debtors	<u>48,960</u>	<u>11,247</u>
4 Creditors: amounts falling due within one year	2003 £	2002 £
Other creditors	<u>50,284</u>	<u>22,884</u>

IXION PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

5	Share capital	2003	2002
		£	£
	Authorised		
	500 Ordinary 'A' shares of £1 each	500	500
	500 Ordinary 'B' shares of £1 each	500	500
		<u>1,000</u>	<u>1,000</u>
	Allotted, called up and fully paid		
	1 Ordinary 'A' shares of £1 each	1	1
	1 Ordinary 'B' shares of £1 each	1	1
		<u>2</u>	<u>2</u>
6	Statement of movements on profit and loss account		Profit and loss account £
	Balance at 1 July 2002		272
	Retained profit for the year		<u>24</u>
	Balance at 30 June 2003		<u>296</u>
7	Reconciliation of movements in shareholders' funds	2003	2002
		£	£
	Profit for the financial year	24	51
	Opening shareholders' funds	<u>274</u>	<u>223</u>
	Closing shareholders' funds	<u>298</u>	<u>274</u>

8 Control

The ultimate controlling party is the director T Kashif.

IXION PUBLISHING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2003

9 Related party transactions

During the year, the company received £91,414 (2002- £123,152) in royalties from Eaton Music Limited, which is a holder of 1 Ordinary 'B' share.

The company also paid royalties of £31,428 (2002- £724) to T Kashif, a director and a shareholder, and £34,006 (2002-£80,459) to Gazel Publishing Limited, a company in which T Kashif has an interest. The company paid commissions of £19,039 (2002- £34,327) to Eaton Music Limited.

All transactions were carried out on normal commercial terms and on an arm's length basis.