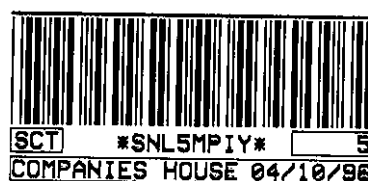


Reg of Co.

Company Registration Number : SC060218

B.A.T. MUSIC LIMITED  
ABBREVIATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 JUNE 1996

05



MILTON AVIS  
Chartered Accountants  
Registered Auditors  
Datam House  
48 Maddox Street  
London W1R 9PB

B.A.T. MUSIC LIMITED  
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FOR THE YEAR ENDED 30 JUNE 1996

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4	Notes to the Abbreviated Financial Statements

REPORT OF THE AUDITORS

TO THE DIRECTORS OF B.A.T. MUSIC LIMITED

PURSUANT TO SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 3 to 4 together with full financial statements of B.A.T. Music Limited for the year ended 30 June 1996. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the directors' statement on page 3 and that the abbreviated financial statements have been properly prepared from the full financial statements.

On 18 September 1996 we reported, as auditors of B.A.T. Music Limited to the members on the full financial statements required by section 226 of the Companies Act 1985, for the year ended 30 June 1996 and our audit report was as follows:

'We have audited the financial statements on pages 4 to 8 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 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 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 relevant and reliable audit evidence to give reasonable assurance that the financial statements are free from material misstatements, 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 30 June 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'

REPORT OF THE AUDITORS - Continued.

TO THE DIRECTORS OF B.A.T. MUSIC LIMITED

PURSUANT TO SCHEDULE 8 TO THE COMPANIES ACT 1985

**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 judgements and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is appropriate to presume that the company will not 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 and detection of fraud and other irregularities.



MILTON AVIS  
Chartered Accountants  
Registered Auditors  
Datam House  
48 Maddox Street  
London W1R 9PB

18 September 1996


**B.A.T. MUSIC LIMITED**  
**ABBREVIATED BALANCE SHEET**  
**AS AT 30 JUNE 1996**

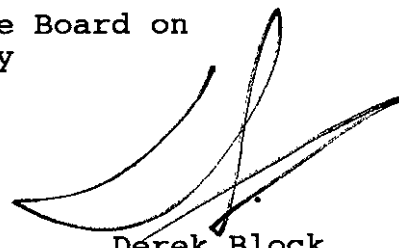
	<u>Notes</u>	<u>1995</u>
<b>CURRENT ASSETS</b>		
Debtors	25	-
Cash at bank and in hand	1,366	2,108
	<u>1,391</u>	<u>2,108</u>
<b>CREDITORS - amounts falling due within one year</b>	<u>1,208</u>	<u>1,898</u>
<b>NET CURRENT ASSETS</b>	183	210
<b>NET ASSETS</b>	<u>£ 183</u>	<u>£ 210</u>
<b>CAPITAL AND RESERVES</b>		
Called up share capital	2 81	81
Profit and Loss Account	<u>102</u>	<u>129</u>
<b>SHAREHOLDERS' FUNDS</b>	<u>£ 183</u>	<u>£ 210</u>

In preparing these Abbreviated Financial Statements :

- (1) The company has claimed exemptions under Part III of Schedule 8 to the Companies Act 1985
- (2) In the opinion of the directors the company is entitled to these exemptions as a small company

The financial statements were approved by the Board on 18 September 1996 and signed on its behalf by

  
 Bernard Theobald  
 Director

  
 Derek Block  
 Director

The notes on page 4 form part of these financial statements.

**B.A.T. MUSIC LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 JUNE 1996**

**1. ACCOUNTING POLICIES**

**1.1 BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention.

**1.2 INCOME**

This represents the invoiced amounts of services provided within the United Kingdom net of Value Added Tax.

**2. SHARE CAPITAL**

	<u>1996</u> £	<u>1995</u> £
<u>Authorised</u>		
973 Ordinary Shares of £1 each	973	973
27 Deferred Ordinary Shares of £1 each	27	27
	<u>1,000</u>	<u>1,000</u>
 <u>Allotted, called up and fully paid</u>		
54 Ordinary Shares of £1 each	54	54
27 Deferred Ordinary Shares of £1 each	27	27
	<u>81</u>	<u>81</u>