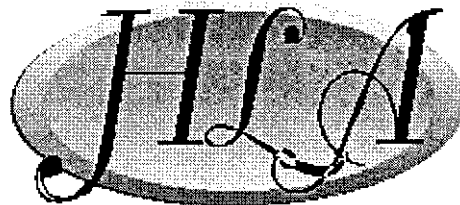


**THE COMPACT DISC CENTRE LIMITED**  
**REPORT AND ACCOUNTS**  
**31 MAY 2002**



© Hamilton Lawrence & Associates Inc.  
Chartered Certified Accountants

12 Peterborough Road London E10 6DL  
0208-556-9386, 07956-390-609  
[www.hamiltonlawrence.co.uk](http://www.hamiltonlawrence.co.uk)  
[info@hamiltonlawrence.co.uk](mailto:info@hamiltonlawrence.co.uk)

**THE COMPACT DISC CENTRE LIMITED**  
**DIRECTORS' REPORT**  
**YEAR ENDED 31 MAY 2002**

---

The director has pleasure in presenting his report and the accounts for the year ended 31 May 2002. This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

**RESULTS AND DIVIDENDS**

Results after taxation £Nil

The results for the year are set out on page 4 of the accounts.

**REVIEW OF THE BUSINESS AND FUTURE ACTIVITIES**

The company has remained dormant through out the period under review. The director considers the result for the year to be in accordance with expectations and is looking forward to the future now that the company is up and running.

During the year the company allotted 1 Ordinary shares of £1 each. The total consideration for the share issued was £1. The purpose of this allotment was to establish the company.

**DIRECTORS AND THEIR INTERESTS**

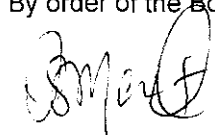
The directors of the company during the period and their interests in the share capital of the company were as follows:

	<b>31 May 2002</b>	<b>1 June 2001</b>
	<b>Ordinary Shares £1 each</b>	<b>Ordinary Shares £1 each</b>
Mr David Smart	1	1

**AUDITORS**

In accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, the company has opted not to have an audit, and to do away with the need for a annual general meeting.

By order of the Board



Secretary

**THE COMPACT DISC CENTRE LIMITED**  
**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

---

Company law requires the director to prepare accounts for each financial year which gives 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 for the company for the period. In preparing those accounts the director is 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 accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to assume that the company will continue in business.

The director is 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 accounts comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

**ACCOUNTANTS' REPORT  
TO THE SHAREHOLDERS OF  
THE COMPACT DISC CENTRE LIMITED**

We have prepared the accounts on pages 4 to 10 from the information and explanation provided to us by you, and under the accounting policies set out on pages 7. Accordingly the accounts accord therewith.

We have not carried out an audit of the accounts, and as such do not express an opinion on the accounts of any kind. Neither do we warrant the accounts to be free from material mis-statement, error or fraud.

**HAMILTON LAWRENCE & ASSOCIATES LIMITED**  
**Chartered Certified Accountants**

**THE COMPACT DISC CENTRE LIMITED**  
**PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MAY 2002**

	Notes	2002 £	2001 £
<b>TURNOVER</b>	2	-	-
Cost of sales		-	-
<b>GROSS PROFIT</b>		-	-
Administrative expenses		-	-
<b>OPERATING PROFIT</b>	3	-	-
Other income		-	-
Interest receivable		-	-
<b>PROFIT ON ORDINARY ACTIVITIES B4 TAXATION</b>		-	-
Tax on profit on ordinary activities		-	-
<b>PROFIT FOR THE YEAR</b>	9	-	-

The Profit and Loss Account contains all the gains and losses of the company recognised in the current and preceding year.

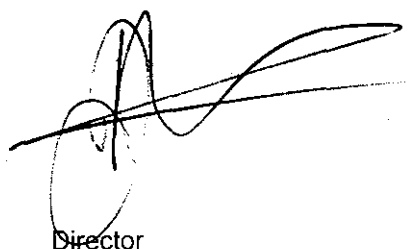
The notes on pages 7 to 9 form part of these accounts

**THE COMPACT DISC CENTRE LIMITED**  
**BALANCE SHEET**  
**31 MAY 2002**

	Notes	2002 £	2001 £
<b>FIXED ASSETS</b>			
Tangible assets	4	-	-
		-	-
<b>CURRENT ASSETS</b>			
Stocks	5	-	-
Debtors	6	1	1
Cash at bank and in hand		-	-
		1	1
<b>CREDITORS: amounts falling due within one year</b>	7	-	-
<b>NET CURRENT ASSETS</b>		1	1
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		1	1
<b>CAPITAL AND RESERVES</b>			
Called up share capital	8	1	1
Share Premium		-	-
Profit and loss account		-	-
<b>SHAREHOLDERS' FUNDS</b>	9	1	1

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

Approved by the Board on  
and signed on its behalf by:



Director

The notes on pages 7 to 9 form part of these accounts

**THE COMPACT DISC CENTRE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MAY 2002**

---

**1. ACCOUNTING POLICIES**

**a) Basis of Accounting**

The accounts are prepared under the historical cost convention and in accordance with:

- i) the Financial Reporting Standard for Smaller Entities (effective March 2000);
- ii) the special provisions of Part VII of the companies Act 1985 relating to small companies; and
- iii) on the basis that the company can continue to operate as a going concern.

The director has estimated the company's likely cash requirements until that date and believe that these shareholders have adequate resources to provide the necessary support.

**b) Depreciation of Tangible Assets**

Depreciation is provided on all tangible fixed assets in use, at rates and bases calculated to write off the cost or valuation less estimated residual value, of each asset over its expected useful life, as follows:

Music equipment	- over 5 years
Computer equipment	- over 5 years

**2. TURNOVER**

Turnover represents the net amount invoiced to customers less trade discounts, excluding value added tax and sales of fixed assets. In the directors' opinion all of the company's turnover arises from a single class of business. The geographic analysis of the turnover is stated below.

	2002 %	2001 %
United Kingdom	100	100
Rest of European Union	-	-
Rest of World	-	-
	<u>100</u>	<u>100</u>

**3. OPERATING PROFIT**

**This is stated after charging/(crediting):**

	2002 £	2001 £
Depreciation	-	-
Directors' emoluments	-	-
Auditors' remuneration	-	-
	<u>-</u>	<u>-</u>

**THE COMPACT DISC CENTRE LIMITED**  
**NOTES TO THE ACCOUNTS**  
**YEAR ENDED 31 MAY 2002**

**4. TANGIBLE FIXED ASSETS**

**b. COMPANY**

	Music Equipment £	Computer equipment £	Total £
<b>Cost</b>			
At 1 June 2001	-	-	-
Additions	-	-	-
<b>At 31 May 2002</b>	-	-	-
<b>Depreciation</b>			
At 1 June 2001	-	-	-
Provision for the year	-	-	-
<b>At 31 May 2002</b>	-	-	-
<b>Net book value</b>			
<b>At 31 May 2002</b>	-	-	-
<i>At 1 June 2002</i>	-	-	-

**5. STOCKS**

	<b>2002</b>	<b>2001</b>
Finished goods	-	-

**6. DEBTORS**

	<b>2002</b>	<b>2001</b>
Trade debtors	1	1
Unpaid share capital		
Other debtors	-	-
Prepayments	-	-
	<b>1</b>	<b>1</b>

**7. CREDITORS**

	<b>2002</b>	<b>2001</b>
Amounts falling due within on year		
Trade creditors	-	-
Other creditors	-	-
Taxation and social security costs	-	-
Accruals	-	-

**THE COMPACT DISC CENTRE LIMITED**  
**NOTES TO THE ACCOUNTS (Continued)**  
**YEAR ENDED 31 MAY 2002**

8. SHARE CAPITAL	2002 £	2001 £
Authorised: 100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted called up and fully paid: 1 Ordinary share £1 each	<u>1</u>	<u>1</u>

During the year the company allotted 1 Ordinary share of £1 each. The total consideration received was £1 therefore the Share Premium was £Nil. The purpose of this allotment was to incorporate the company.

9. SHAREHOLDERS' FUNDS	Share Capital £	Share Premium £	Profit and Loss Account £	Total £
At 1 June 2001	1	-	-	1
Exchange movement in reserves	-	-	-	-
Shares issued during the year	-	-	-	-
Profit/(Loss) for the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 May 2002	<u>1</u>	<u>-</u>	<u>-</u>	<u>1</u>

**10. CAPITAL COMMITMENTS**

The company has contracted future capital commitments for capital expenditure not otherwise included in the accounts totalling £NIL (2002 - £ NIL).

**11. FINANCIAL COMMITMENTS**

The company has no financial commitments.

**THE COMPACT DISC CENTRE LIMITED**  
**DETAILED TRADING PROFIT AND LOSS ACCOUNT**  
**YEAR ENDED 31 MAY 2002**

For the information of the directors only

	2002	2001
£	£	
<b>SALES</b>	-	-
<b>COST OF SALES</b>	-	-
<b>GROSS LOSS</b>	-	-
<b>ADMINISTRATIVE EXPENSES</b>		
Salaries	-	-
Consultancy	-	-
Temporary Staff	-	-
Recruitment	-	-
Studio rental	-	-
Telephone, Fax and Communications	-	-
Printing, Postage and Stationery	-	-
Storage Costs	-	-
Travel	-	-
Subscriptions and dues	-	-
Audit and accountancy	-	-
Legal expenses	-	-
Rent and rates	-	-
Sundry expenses	-	-
Advertising	-	-
Computer consumables	-	-
Premises costs	-	-
Moving Costs	-	-
Repairs and renewals	-	-
Bank charges	-	-
Bad debt provision	-	-
Foreign exchange gain	-	-
Amortisation	-	-
Depreciation	-	-
	-	-
	-	-
<b>OTHER INCOME</b>		
Interest receivable	-	-
Sundry income	-	-
	-	-
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	-	-

Approved by the Board  
and signed on its behalf by:

Director