

ADELPHOI LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1996

Company No. 2841965



ADELPHOI LIMITED
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FOR THE YEAR ENDED 31 AUGUST 1996

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ADELPHOI LIMITED
GENERAL INFORMATION
FOR THE PERIOD ENDED 31 AUGUST 1996

DIRECTORS

Kirkham Zavieh
Charles Hodgkinson

SECRETARY

K. Zavieh

REGISTERED OFFICE

71 Endell Street,
Covent Garden,
London WC2H 9AJ.

ACCOUNTANTS

Barcant Beardon
Chartered Accountants
8 Blackstock Mews
Blackstock Road
Islington
London N4 2BT

BANKERS

Barclays Bank Plc
Kensington,
London
EC1

COMPANY REGISTRATION NUMBER

2841965

ADELPHOI LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 1996

The directors present herewith their annual report, together with the financial statements of the company for the year ended 31 August 1996.

PRINCIPAL ACTIVITY

The company's principal activity is that of a record company developing artists and distributing their work.

DIRECTORS AND THEIR INTERESTS

The directors of the company during the year and their interests in the share capital of the company at the beginning and end of the year were as follows:

	<u>Number of £1 Ordinary Shares</u>	
	31 August 1996	1 September 1995
Kirkham Zavieh	1	1
Charles Hodgkinson	1	1

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on ~~30 June~~ 1997 and signed on their behalf.


Secretary
K. Zavieh

ADELPHOI LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 AUGUST 1996

		1996 £	1995 £
TURNOVER	2	9,058	-
Cost of sales		(2,695)	-
GROSS PROFIT		<u>6,363</u>	<u>-</u>
Administrative expenses		<u>(16,163)</u>	<u>(1,248)</u>
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(9,800)	(1,248)
Tax on Loss on ordinary activities		<u>-</u>	<u>-</u>
LOSS ON ORDINARY ACTIVITIES		(9,800)	(1,248)
RETAINED PROFITS BROUGHT FORWARD		<u>(4,396)</u>	<u>(3,148)</u>
RETAINED LOSSES CARRIED FORWARD		<u>(14,196)</u>	<u>(4,396)</u>

TOTAL RECOGNISED GAINS AND LOSSES

The Company has no recognised gains or losses other than the Loss for the above financial period.

CONTINUING OPERATIONS

None of the Company's activities were acquired or discontinued during the above financial period.

The notes on pages 6 to 7 form part of these financial statements.

ADELPHOI LIMITED
BALANCE SHEET
AS AT 31 AUGUST 1996

	Notes	1996 £	1995 £
FIXED ASSETS			
Tangible Assets	3	31,500	-
CURRENT ASSETS			
Debtors	4	16,438	32,989
Cash at Bank and in Hand		7,438	145
		23,876	33,134
CREDITORS - Amounts Falling due within One Year	5	(69,570)	(37,528)
NET CURRENT (LIABILITIES)		(45,694)	(4,394)
CAPITAL AND RESERVES			
Called Up Share Capital	6	2	2
Profit and Loss Account		(14,196)	(4,396)
Shareholders' Funds	7	(14,194)	(4,394)

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 August 1996 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The directors have taken advantage of special exemptions conferred by schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the financial statements and have done so on the grounds that, in their opinion, the company is entitled to these exemptions.

The financial statements were approved by the board of directors on 30 June 1997 and signed on its behalf.

Director
Charles Hodgkinson

The notes on pages 6 to 7 form part of these financial statements.

ADELPHOI LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 1996

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

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 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Studio Equipment - 25% per annum on reducing balance

No depreciation has been provided on the fixed assets acquired during the year as they were purchased on 31 August 1996 and had not yet been utilised in the business.

2. TURNOVER

The turnover and pre-tax loss are wholly attributable to the company's principal activity. The turnover arises entirely in the U.K.

ADELPHOI LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 1996

3. TANGIBLE FIXED ASSETS

	<u>Studio equipment</u> £
Cost:	
Additions	31,500
At 31 August 1996	<u>31,500</u>
Depreciation:	
At 31 August 1996	<u>-</u>
Net book value at 31 August 1996	<u><u>31,500</u></u>

4. DEBTORS

	1996 £	1995 £
Due from Adelphoi Studios	-	31,489
VAT recoverable	444	-
Recoverable production costs	<u>15,994</u>	<u>1,500</u>

5. CREDITORS - AMOUNTS FALLING DUE
WITHIN ONE YEAR

	1996 £	1995 £
Director's Current Accounts	62,727	35,778
Other Creditors and Accruals	<u>6,843</u>	<u>1,750</u>
	<u><u>69,570</u></u>	<u><u>37,528</u></u>

6. SHARE CAPITAL

	1996 £	1995 £
Authorised		
100 Ordinary Shares of £1 each	<u>100</u>	<u>100</u>
Allotted, Issued and Fully Paid		
2 Ordinary Shares of £1 each	<u>2</u>	<u>2</u>

ADELPHOI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 1996

7. MOVEMENT ON SHAREHOLDERS' FUNDS	1996 £	1996 £
Loss for the year after Taxation	(9,800)	(1,248)
	<u>(9,800)</u>	<u>(1,248)</u>
Shares Issued	-	-
Opening Shareholder's Funds at 1 September 1995	<u>(4,394)</u>	<u>(3,146)</u>
Closing Shareholder' Funds at 31 August 1996	<u><u>(14,194)</u></u>	<u><u>(4,394)</u></u>

8. POST BALANCE SHEET EVENTS

On the 18 September 1996 the company increased the authorised share capital to £100,000. Also the company converted 50,000 unissued £1 ordinary share capital to £1 convertible redeemable preference shares.