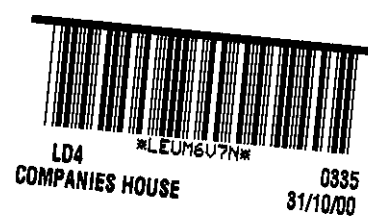


BLUE BEARD MUSIC LIMITED
REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 1999

Registered number: 00979214



BLUE BEARD MUSIC LIMITED
DIRECTORS' REPORT

Directors: G Brooker
K Reid

Secretary: G Brooker

Registered office: Wintershall, Dunsfold, Godalming, Surrey GU8 4PB

Registered number: 00979214

The directors present their report together with the accounts of the company for the year ended 31 December 1999.

Principal activity

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

Directors and their interests

The directors of the company at 31 December 1999 are shown above.

The directors had a beneficial interest in the share capital of the company as follows:

	At 31 December 1999	At 1 January 1999
	Ordinary shares of £1 each	
G Brooker	50	50
K Reid	50	50
	<u> </u>	<u> </u>

Basis of preparation

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

By Order of the Board

G Brooker


Date 16/10/2000

BLUE BEARD MUSIC LIMITED
PROFIT AND LOSS ACCOUNT
For the year ended 31 December 1999

	Notes	£	£	1999 £
Turnover	2		36,328	33,130
Cost of sales			30,769	27,799
			<hr/>	<hr/>
Gross profit			5,559	5,331
Selling and distribution costs		117		-
Administrative expenses		8,567		11,991
		<hr/>		<hr/>
			8,684	11,991
			<hr/>	<hr/>
Operating loss	3		(3,125)	(6,660)
Interest receivable	4		2,006	4,892
			<hr/>	<hr/>
Loss on ordinary activities before taxation			(1,119)	(1,768)
Tax on loss on ordinary activities	5		-	474
			<hr/>	<hr/>
Loss on ordinary activities after taxation			(1,119)	(1,294)
Retained profits brought forward			18,312	19,606
			<hr/>	<hr/>
Retained profits carried forward			£ 17,193	£ 18,312
			<hr/>	<hr/>

The attached notes 1 to 10 form a part of these accounts.

BLUE BEARD MUSIC LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1999

	Notes	£	£	1998 £
Fixed assets				
Tangible assets	6		-	647
				<hr/>
Current assets				
Debtors	7	10,347		5,004
Cash at bank and in hand		29,135		72,889
		<hr/>		<hr/>
		39,482		77,893
Creditors: Amounts falling due within one year	8	22,189		60,128
		<hr/>		<hr/>
Net current assets			17,293	17,765
			<hr/>	<hr/>
Total assets less current liabilities			£ 17,293	£ 18,412
			<hr/>	<hr/>
Capital and reserves				
Called up share capital	9		100	100
Profit and loss account			17,193	18,312
			<hr/>	<hr/>
			£ 17,293	£ 18,412
			<hr/>	<hr/>

Continued....

The attached notes 1 to 10 form a part of these accounts.

BLUE BEARD MUSIC LIMITED
BALANCE SHEET AS AT 31 DECEMBER 1999 (continued)

Directors' statement

- (a) The company is entitled to take advantage of the total exemption from audit given by Section 249A(1) of CA 1985 for the year ended 31 December 1999;
- (b) No notice has been deposited by holders of 10% or more of the company's issued share capital requiring the company to obtain an audit of its accounts for the financial year; and
- (c) The directors acknowledge their responsibility for:
 - (i) ensuring the company keeps accounting records which comply with Section 221 of CA 1985; and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the balance sheet date and of its profit or loss for the year then ended in accordance with Section 226 of CA 1985.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Approved by:

G Brooker 

K Reid 

Date 27-10-2000

The attached notes 1 to 10 form a part of these accounts.

BLUE BEARD MUSIC LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 December 1999

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the accounts.

Accounting convention

The accounts have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and in compliance with the requirements of the Companies Act 1985.

Turnover

Turnover represents royalties received exclusive of value added tax.

Depreciation

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

Equipment - 25% per annum on written down value

Advanced royalties

Where the company receives royalties in advance on a recording contract, these advance royalties are treated as deferred income and released to the profit and loss account as royalties on records sales are earned.

2. TURNOVER

The turnover and loss for the year are attributable to the principal activity of the company and are derived wholly from within the United Kingdom.

3. OPERATING LOSS

		1998
This is stated after charging:	£	£
Depreciation of tangible fixed assets	647	216
	<u> </u>	<u> </u>

4. INTEREST RECEIVABLE

Bank deposit interest	£ 2,006	£ 4,892
	<u> </u>	<u> </u>

BLUE BEARD MUSIC LIMITED**NOTES TO THE ACCOUNTS**

For the year ended 31 December 1999 (continued)

5. TAX ON LOSS ON ORDINARY ACTIVITIES

		1998
Based on the results for the year:	£	£
Over provision in previous years	£ -	£ 474
	<u> </u>	<u> </u>

The company has tax losses of approximately £2,700 to carry forward which are available for offset against future trading profits, subject to agreement by H.M.I.T.

6. TANGIBLE FIXED ASSETS

	Equipment £
Cost:	
At 1 January 1999	4,317
Fully depreciated assets	(4,317)
	<u> </u>
At 31 December 1999	-
	<u> </u>
Depreciation:	
At 1 January 1999	3,670
Charge for the year	647
Fully depreciated assets	(4,317)
	<u> </u>
At 31 December 1999	-
	<u> </u>
Net book value:	
At 31 December 1999	-
	<u> </u>
At 31 December 1998	£ 647
	<u> </u>

7. DEBTORS

	£	£
Other debtors	£ 10,347	£ 5,004
	<u> </u>	<u> </u>

BLUE BEARD MUSIC LIMITED

NOTES TO THE ACCOUNTS

For the year ended 31 December 1999 (continued)

8.	CREDITORS: Amounts falling due within one year		1998
		£	£
	Trade creditors	15,239	15,310
	Other creditors	6,950	44,818
		<u> </u>	<u> </u>
		£ 22,189	£ 60,128
		<u> </u>	<u> </u>
9.	SHARE CAPITAL		
	Authorised:		
	Ordinary shares of £1 each	£ 100	£ 100
		<u> </u>	<u> </u>
	Allotted, issued and fully paid:		
	Ordinary shares of £1 each	£ 100	£ 100
		<u> </u>	<u> </u>

BLUE BEARD MUSIC LIMITED
NOTES TO THE ACCOUNTS
For the year ended 31 December 1999 (continued)

10. RELATED PARTY DISCLOSURES

Material balances and transactions with related parties arising during the year were as follows:

Balances with related parties

Debtor balances

Gazza Limited	£ 1,116	£ 1,116
	<u> </u>	<u> </u>

Creditor balances

Included within trade creditors:

Gazza Limited	1,683	2,535
Black Pudding Limited	9,937	10,797
	<u> </u>	<u> </u>

Included within other creditors:

Gazza Limited	3,000	5,000
Black Pudding Limited	3,000	5,000
	<u> </u>	<u> </u>

Transactions with related parties

Royalties payable:

Gazza Limited	5,932	5,195
Black Pudding Limited	17,989	18,402
	<u> </u>	<u> </u>

Management fees payable:

Gazza Limited	3,000	5,000
Black Pudding Limited	3,000	5,000
	<u> </u>	<u> </u>

Nature of relationships

Gary Brooker, a director and shareholder of this company, is the controlling shareholder and a director of Gazza Limited.

Keith Reid, a director and shareholder of this company, is the controlling shareholder and director of Black Pudding Limited.