

**PRECISION RECORDS & TAPES LIMITED**

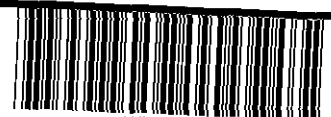
Registered Number  
00572034

Report and Financial Statements

31 December 2000

**Warley & Warley**  
CHARTERED ACCOUNTANTS

76 Cambridge Road, Kingston upon Thames, Surrey, KT1 3NA



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COMPANIES HOUSE

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**REPORT OF THE DIRECTORS**

The directors submit their report and the audited financial statements for the year ended 31 December 2000.

**Principal Activity**

The company did not trade during the year.

**Directors and Their Interests**

The directors of the company during the year and to the date of this report were as follows:

Mr R K Richards (Chairman)  
Mr P K Drew

The directors had no interest in the shares of the company.

**Statement of Directors' Responsibilities**

Company law requires the directors 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:

- (i) select suitable accounting policies and then apply them consistently;
- (ii) make judgements and estimates that are reasonable and prudent;
- (iii) prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will 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.

**Auditors**

Warley & Warley have expressed their willingness to continue in office as auditors and a resolution for their reappointment, at a rate of remuneration to be fixed by the directors, will be proposed at the Annual General Meeting.

**Special Exemption**

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

**BY ORDER OF THE BOARD**

**P K DREW**

**Director**

25/09/01

**AUDITORS REPORT TO THE SHAREHOLDERS**

We have audited the financial statements on pages 3 to 6.

**Respective Responsibilities of Directors and Auditors**

As described in the directors report, 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 financial 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 made 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 evidence to give reasonable assurance that the financial statements are free from material misstatement, 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 as at 31 December 2000 and of the result for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

*Warley & Warley*

**WARLEY & WARLEY**  
Chartered Accountants  
Registered Auditors  
76 Cambridge Road  
Kingston upon Thames  
Surrey  
KT1 3NA

*10 October 2001*

**PRECISION RECORDS & TAPES LIMITED**

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**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31 DECEMBER 2000**

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
<b>TURNOVER</b>		-	92,450
<i>Administrative expenses</i>		27,017	4
		<hr/>	<hr/>
<b>OPERATING LOSS (1999 PROFIT)</b>		( 27,017)	92,454
 Taxation	2	-	-
		<hr/>	<hr/>
<b>LOSS (1999 PROFIT) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		( 27,017)	92,454
 <b>ACCUMULATED DEFICIT BROUGHT FORWARD</b>		( 8,959,476)	( 9,051,930)
		<hr/>	<hr/>
 <b>ACCUMULATED DEFICIT CARRIED FORWARD</b>		( 8,986,493)	( 8,959,476)
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The attached notes 1 to 8 form part of these financial statements

**BALANCE SHEET AT 31 DECEMBER 2000**

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
<b>CURRENT ASSETS</b>			
Bank and cash balances		-	1,050
Debtors	3	66,082	92,049
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		66,082	93,099
<b>CREDITORS: amounts falling due after more than one year</b>			
	4	9,052,573	9,052,573
		<hr/>	<hr/>
		( 8,986,491)	( 8,959,474)
		<hr/>	<hr/>
<b>CAPITAL AND RESERVES</b>			
Share capital	5	2	2
Profit and loss account		( 8,986,493)	( 8,959,476)
		<hr/>	<hr/>
Shareholders' funds (all equity interests)	6	( 8,986,491)	( 8,959,474)
		<hr/>	<hr/>

In preparing these financial statements advantage has been taken of the special exemptions applicable to small companies provided by Part VII of the Companies Act 1985.

Approved by the Board of Directors  
on 25 September 2001



R K RICHARDS  
Director

The attached notes 1 to 8 form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000****1. ACCOUNTING POLICIES****Accounting Convention**

These financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

The company did not trade during the year and accordingly these financial statements have been prepared on the basis that the company is not carrying on business as a going concern.

**2. TAXATION**

There is no charge to corporation tax on the result for the year.

**3. DEBTORS**

Amount due from parent company

<u>2000</u>	<u>1999</u>
£	£

66,082	92,049
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**4. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

Amounts due to parent company (due between one and five years)

9,052,573	9,052,573
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The amount due to parent company has no fixed repayment period and the parent company has agreed not to demand repayment until 1 January 2002 at the earliest.

**5. SHARE CAPITAL**  
**Authorised**

<u>2000 &amp; 1999</u>
£

Ordinary shares of £1 each

100
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**Issued and Fully Paid**

Ordinary shares of £1 each

2
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**NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2000 (CONT)**

	<u>2000</u> £	<u>1999</u> £
<b>6. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS</b>		
Loss (1999 profit) for the financial year	( 27,017)	92,454
Opening shareholders' funds	( 8,959,474)	( 9,051,928)
	<hr/>	<hr/>
Closing shareholders' funds	( 8,986,491)	( 8,959,474)
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**7. CONTINGENT LIABILITIES**

The company has given guarantees in respect of two leases of land and buildings occupied by a former subsidiary company. Both leases are subject to upward only rent reviews and expire on 27 October 2010. The rent payable on the inception of the leases on 27 October 1988 was £44,180 per annum.

The company has been given indemnity against claims under these guarantees by the purchaser of the former subsidiary.

**8. PARENT COMPANY**

At 31 December 2000 the company's immediate parent company was Meekland Limited and its ultimate holding company was Brompton Investments (C.I.) Limited, a company incorporated in the Cayman Islands.

The directors do not know the identity of the ultimate controlling party, if any.