

QUANTUM ARTISTS LIMITED

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ANNUAL REPORT AND STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000

DIRECTORS

A ELDRED
D ELDRED
V EDWARDS
T FRANCIS

SECRETARY

A ELDRED

REGISTERED OFFICE

62 NEW CAVENDISH STREET
LONDON W1G 8TA

ACCOUNTANTS

SINGER HOME & DESAI LIMITED
62 NEW CAVENDISH STREET
LONDON W1G 8TA



ANNUAL REPORT AND STATEMENT OF ACCOUNTS
YEAR ENDED 31 DECEMBER 2000

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REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2000

The Directors have pleasure in submitting their Annual Report to the members together with the Accounts and Notes thereon.

PRINCIPAL ACTIVITY

The Principal Activity of the company has not changed significantly during the year and remain those of Artists Agents.

DIRECTORS

The constitution of the Board, their interests (and those of their immediate families) in the Capital of the company were as follows:

	<u>Beneficial Holdings</u>	
	<u>Shares of</u>	<u>Shares of</u>
	<u>1p Each</u>	<u>1p Each</u>
	<u>2000</u>	<u>1999</u>
A Eldred	9,900	9,900
D Eldred	100	100
V Edwards	3,333	3,333
T Francis	-	-
	-----	-----
	13,333	13,333
	=====	=====

The following changes in the constitution of the Board have taken place during the year.

T Francis was appointed as a Director on 1 July 2000.

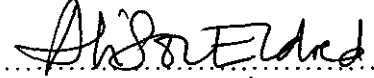
TAXATION

So far as the Directors are aware the company falls within the meaning of a 'Close Company' as defined by the Income and Corporation Taxes Act 1988.

SMALL COMPANY RULES

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

ON BEHALF OF THE BOARD


CHAIRMAN (A Eldred)

21.3.01
DATE

ACCOUNTANTS' REPORT
YEAR ENDED 31 DECEMBER 2000

In accordance with instructions given to us we have prepared the financial statements for the year ended 31 December 2000 set out on Pages 5 to 11 from information and explanations supplied to us by the management of the company.

We have not audited the financial statements. Accordingly, we do not express our audit opinion or any other form of assurance that the accounting records and the financial statements are free from material misstatement.

Singer Home & Desai Limited
SINGER HOME & DESAI LIMITED

62 NEW CAVENDISH STREET

LONDON W1G 8TA

DATED: ..21.3.01....

QUANTUM ARTISTS LIMITED
BALANCE SHEET 'AS AT 31 DECEMBER 2000

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<u>FIXED ASSETS</u>	<u>NOTES</u>	<u>2000</u>	<u>1999</u>
Tangible Assets	2	£ 18,841	£ 23,578
<u>CURRENT ASSETS</u>			
Debtors	3	£ 123,434	£ 118,258
Cash at Bank and in Hand	4	2,829	259
		=====	=====
		£ 126,263	£ 118,517
<u>CREDITORS</u>			
Amounts falling due within One Year	4	£ 135,905	£ 131,870
		=====	=====
<u>NET CURRENT LIABILITIES</u>		(9,642)	(13,353)
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			
		9,199	10,225
<u>CREDITORS</u>			
Amounts falling due after more than One Year	5	(173)	(863)
		=====	=====
<u>NET ASSETS/(LIABILITIES)</u>		£ 9,026	£ 9,362
<u>CAPITAL AND RESERVES</u>			
<u>CALLED UP SHARE CAPITAL</u>	6	£ 133	£ 133
<u>SHARE PREMIUM ACCOUNT</u>	7	4,967	4,967
<u>PROFIT AND LOSS ACCOUNT</u>		3,926	4,262
		=====	=====
<u>SHAREHOLDERS FUNDS</u>		£ 9,026	£ 9,362
		=====	=====

The Directors have taken advantage of the total exemption from audit conferred by Section 249A(1) of Companies Act 1985 and confirm that members have not required the company to obtain an audit of its accounts for the period in accordance with Section 249B(2).

The Directors acknowledge their responsibilities for ensuring that:

1. The company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
2. The financial statements give a true and fair view of the state of affairs of the company as at 31 December 2000 and of its results for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provision of Part VII of the Companies Act 1985 relating to Small Companies, and in accordance with the Financial Reporting Standards for small entities (effective March 2000).

.....*Alison Elred*..... DIRECTOR*Valerie Edwards*..... DIRECTOR
 (A Elred) (V. Edwards)

Approved by the Board on 21.03..... 2001.

The Notes on pages 7 to 11 form part of these Accounts.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	<u>NOTES</u>	<u>2000</u>	<u>1999</u>
<u>TURNOVER</u>	8	£ 656,632	£ 676,869
Cost of Sales		475,434	504,176
		-----	-----
<u>GROSS PROFIT</u>		181,198	172,693
<u>OTHER INCOME</u>		18,503	14,823
		-----	-----
		199,701	187,516
Administration Expenses	£ 107,801		£ 115,940
Other Operating Expenses	90,880	198,681	73,669
	-----	-----	-----
<u>PROFIT ON ORDINARY</u>			
<u>ACTIVITIES BEFORE INTEREST</u>	9	1,020	(2,093)
<u>INTEREST PAYABLE</u>		(738)	(637)
		-----	-----
<u>PROFIT ON ORDINARY</u>			
<u>ACTIVITIES BEFORE TAXATION</u>		282	(2,730)
<u>TAXATION</u>	10	(618)	650
		-----	-----
<u>PROFIT ON ORDINARY</u>			
<u>ACTIVITIES AFTER TAXATION</u>		(336)	(2,080)
<u>DIVIDEND</u>		-	-
		-----	-----
<u>RETAINED PROFIT</u>			
<u>FOR THE FINANCIAL YEAR</u>		(336)	(2,080)
<u>PROFIT AND LOSS ACCOUNT</u>			
<u>BALANCE BROUGHT FORWARD</u>		4,262	6,342
		-----	-----
<u>PROFIT AND LOSS ACCOUNT</u>			
<u>BALANCE CARRIED FORWARD</u>		£ 3,926	£ 4,262
		=====	=====

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000NOTE: 1ACCOUNTING POLICIES1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

These Accounts are prepared in accordance with the historical cost convention.

1.2 TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful working life less its residual value using the reducing balance method.

Office Furniture and Equipment	10% p.a
Leased - Office Equipment	25% p.a
Motor Vehicle	25% p.a

1.3 LEASING

Assets obtained under finance leases are capitalised as Tangible Fixed Assets. Assets acquired by finance lease are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

1.4 OPERATING LEASES

Rentals applicable to operating losses where substantially all of the benefits and risk of ownership remain with the lessor are charged to profit and loss accounts as incurred.

1.5 DEFERRED TAXATION

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability will crystallise in the near future.

1.6 TURNOVER

Turnover represents the total income receivable by the company (exclusive of Valued Added Tax) in respect of services rendered.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)

1.7 FOREIGN CURRENCIES

Assets and Liabilities in Foreign Currencies are translated into Sterling at the rate of exchange ruling at the Balance Sheet date. Transactions in Foreign Currencies are converted into Sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating results for the year.

1.8 PENSIONS

The company operates a defined contribution pension scheme, and the pension charge represents the amounts payable by the company to the fund in respect of the year.

NOTE: 2

TANGIBLE FIXED ASSETS (See Page 9)

NOTE: 3

<u>DEBTORS</u>	<u>2000</u>	<u>1999</u>
Trade Debtors	£ 119,267	£ 112,036
Sundry Debtors	4,167	6,222
	-----	-----
	£ 123,434	£ 118,258
	=====	=====

NOTE: 4

CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	<u>2000</u>	<u>1999</u>
Trade Creditors	£ 117,628	£ 98,927
Other Creditors and Accruals	7,497	23,809
Social Security and Other Taxes	9,455	3,537
Bank Overdraft (Note: 4.1)	-	4,907
Net obligations under Finance Lease (Note: 4.1)	690	690
Corporation Tax	635	-
	-----	-----
	£ 135,905	£ 131,870
	=====	=====

NOTE: 4.1

Bank balance is secured by a fixed and floating charge over the company's Assets. The finance lease is secured on the assets concerned.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)

NOTE: 2

TANGIBLE FIXED ASSETS	IMPROVEMENTS TO SHORT LEASEHOLD		LEASED OFFICE		OFFICE FURNITURE & EQUIPMENT		MOTOR VEHICLE		TOTAL
	PROPERTY		OFFICE		EQUIPMENT		VEHICLE		
Cost:									
Balance:	1 January 2000	£ 66,436	£ 2,948		£ 43,909		£ 4,495		£ 117,788
Additions		-	-		934		-		934
Disposal		(66,436)	-		-		(4,495)		(70,931)
Balance:	31 December 2000	£ -	£ 2,948		£ 44,843		£ -		£ 47,791
Depreciation									
Balance:	1 January 2000	£ 66,436	£ 1,704		£ 24,946		£ 1,124		£ 94,210
Provided in the Year		-	311		1,989		-		2,300
Written off in respect of Disposals		(66,436)	-		-		(1,124)		(67,560)
Balance:	31 December 2000	£ -	£ 2,015		£ 26,935		£ -		£ 28,950
NET BOOK VALUE:	31 December 2000	£ -	£ 933		£ 17,908		£ -		£ 18,841
Balance:	31 December 1999	£ -	£ 1,244		£ 18,963		£ 3,371		£ 23,578

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)

NOTE: 5CREDITORS: AMOUNTS FALLING DUEAFTER MORE THAN ONE YEAR

	<u>2000</u>	<u>1999</u>
Net obligations under Finance Lease (Note: 4.1)	£ 173 =====	£ 863 =====

NOTE: 6CALLED UP SHARE CAPITALAuthorised

	<u>2000</u>	<u>1999</u>
100,000 Ordinary Shares of 1p Each	£ 1,000 =====	£ 1,000 =====

Issued and Fully Paid

13,333 Ordinary Shares of 1p Each	£ 133.33 =====	£ 133.33 =====
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NOTE: 7SHARE PREMIUM

The Share Premium arises as a result of an issue of shares at a premium in a prior year.

NOTE: 8TURNOVER

In the year to 31 December 2000, 32% of the company's turnover was derived from markets outside the United Kingdom (1999 - 34%).

NOTE: 9OPERATING RESULTS

The Operating Results are stated after the following	<u>2000</u>	<u>1999</u>
<u>After Charging</u>		
Depreciation of Tangible Fixed Assets		
- owned by the company	£ 1,989	£ 3,230
- held under Finance Leases	311	415
Directors Emoluments	51,337	30,895
Pension Costs	3,821	2,548
Auditors Remuneration	-	2,600
	=====	=====

During the year retirement benefits we accruing to one Director (1999 - 1) in respect of Money Purchase Pension Schemes.

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 2000 (CONTINUED)

NOTE: 10TAXATION

Corporation Tax is provided on the results for the year as follows:

	<u>2000</u>	<u>1999</u>
Corporation Tax @ 20% (1999: 20/21%)		
based on the Adjusted Results for the Year	£ 635	£ -
(Over)/Under provision in respect of previous Year	(17)	(650)
	-----	-----
	£(618)	£(650)
	=====	=====

Potential liability for deferred taxation not provided was as follows:

	<u>2000</u>	<u>1999</u>
Accelerated Capital Allowances	£ 1,005	£ 1,677
	=====	=====

NOTE: 11FINANCIAL COMMITMENTS

At 31 December 2000 the company has annual commitments under non-cancellable operating lease as follows:

<u>Expiry Date</u>	<u>2000</u>	<u>1999</u>
Between 2 and 5 Years	£ 12,500	£ -
In more than 5 Years	-	20,000
	=====	=====