

QUANTUM ARTISTS LIMITED

PAGE 1

ANNUAL REPORT AND STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2002

DIRECTOR

T FRANCIS

SECRETARY

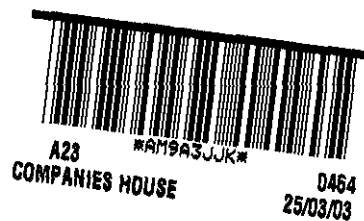
P FRANCIS

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 2002

CONTENTS:

STATUTORY INFORMATION

PAGE	3	DIRECTORS' REPORT
	4	ACCOUNTANTS REPORT
	5	BALANCE SHEET
	6	PROFIT AND LOSS ACCOUNT
	7	NOTES TO THE ACCOUNTS

NON STATUTORY INFORMATION

12	PROFIT AND LOSS ACCOUNTS
13	OPERATING EXPENSES

REPORT OF THE DIRECTOR  
FOR THE YEAR ENDED 31 DECEMBER 2002

The Director has pleasure in submitting her 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.

DIRECTOR

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

	<u>Beneficial Holdings</u>	
	<u>Shares of</u> <u>1p Each</u> <u>2002</u>	<u>Shares of</u> <u>1p Each</u> <u>2001</u>
T Francis	13,333	13,333

No changes in the constitution of the Board have taken place during the year.

TAXATION

So far as the Director is 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

*Theresa* (T FRANCIS)  
.....  
CHAIRMAN

18/3/03  
.....  
DATE

ACCOUNTANTS' REPORT  
YEAR ENDED 31 DECEMBER 2002

In accordance with instructions given to us we have prepared the financial statements for the year ended 31 December 2002 set out on Pages 5 to 10 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.

*Sing Home & Desai Limited*  
SINGER HOME & DESAI LIMITED

62 NEW CAVENDISH STREET

LONDON W1G 8TA

DATE: *21/3/03*

QUANTUM ARTISTS LIMITED  
BALANCE SHEET AS AT 31 DECEMBER 2002

PAGE 5


<u>FIXED ASSETS</u>	<u>NOTES</u>	<u>2002</u>	<u>2001</u>
Tangible Assets	2	£ 14,506	£ 16,817
<u>CURRENT ASSETS</u>			
Debtors	3	£ 60,741	£ 59,637
Cash at Bank and in Hand	4	-	697
		-----	-----
		£ 60,741	£ 60,334
		=====	=====
<u>CREDITORS</u>			
Amounts falling due within One Year	4	£ 64,576	£ 72,857
		=====	=====
<u>NET CURRENT LIABILITIES</u>		( 3,835)	( 12,523)
		-----	-----
<u>NETASSETS</u>		£ 10,671	£ 4,294
		=====	=====
<u>CAPITAL AND RESERVES</u>			
<u>CALLED UP SHARE CAPITAL</u>	5	£ 133	£ 133
<u>SHARE PREMIUM ACCOUNT</u>	6	4,967	4,967
<u>PROFIT AND LOSS ACCOUNT</u>		5,571	( 806)
		-----	-----
<u>SHAREHOLDERS FUNDS</u>		£ 10,671	£ 4,294
		=====	=====

The Director has 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 it's accounts for the period in accordance with Section 249B(2).

The Director acknowledges her 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 2002 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 V11 of the Companies Act 1985 relating to Small Companies, and in accordance with the Financial Reporting Standards for small entities (effective June 2002).

 (T Francis)  
..... DIRECTOR

Approved by the Board on .....18/3/03..... 2003.

The Notes on pages 7 to 10 form part of these Accounts.

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2002

	<u>NOTES</u>	<u>2002</u>	<u>2001</u>
<u>TURNOVER</u>	7	£ 390,248	£ 393,119
Cost of Sales		291,289	296,562
		-----	-----
<u>GROSS PROFIT</u>		98,959	96,557
<u>OTHER INCOME</u>		4,185	9,121
		-----	-----
		103,144	105,678
Administration Expenses	£ 48,839	£ 66,031	
Other Operating Expenses	47,346	96,185	44,615
	-----	-----	-----
<u>PROFIT/(LOSS) ON ORDINARY</u> <u>ACTIVITIES BEFORE INTEREST</u>	8	6,959	( 4,968)
<u>INTEREST PAYABLE</u>		( 352)	( 324)
		-----	-----
<u>PROFIT/(LOSS) ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>		6,607	( 5,292)
<u>TAXATION</u>	9	( 230)	560
		-----	-----
<u>PROFIT/(LOSS) ON ORDINARY</u> <u>ACTIVITIES AFTER TAXATION</u>		6,377	( 4,732)
<u>DIVIDEND</u>		-	-
		-----	-----
<u>RETAINED</u> <u>FOR THE FINANCIAL YEAR</u>		6,377	( 4,732)
<u>PROFIT AND LOSS ACCOUNT</u> <u>BALANCE BROUGHT FORWARD</u>		( 806)	3,926
		-----	-----
<u>PROFIT AND LOSS ACCOUNT</u> <u>BALANCE CARRIED FORWARD</u>		£ 5,571	£( 806)
		=====	=====

The Notes on pages 7 to 10 form part of these Accounts.

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2002

NOTE: 1

ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

1.2 TANGIBLE FIXED ASSETS AND DEPRECIATION

Tangible Fixed Assets are stated at cost less depreciation.

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

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

A full provision for deferred taxation in respect of all timing differences that have originated but not reversed by the Balance Sheet date is made using the incremental liability approach.

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 2002 (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.

NOTE: 2

TANGIBLE FIXED ASSETS

Cost:

		<u>LEASED OFFICE EQUIPMENT</u>	<u>OFFICE FURNITURE &amp; EQUIPMENT</u>	<u>TOTAL</u>
<u>Balance:</u>	1 January 2002	£ 2,948	£ 44,843	£ 47,791
Additions		-	-	-
Disposals		( 2,948)	-	( 2,948)

<u>Balance:</u>	31 December 2002	£ -	£ 44,843	£ 44,843
-----------------	------------------	-----	----------	----------

Depreciation

<u>Balance:</u>	1 January 2002	£ 2,248	£ 28,726	£ 30,974
Provided in the Year		-	1,611	1,611
Written off in respect of Disposals		( 2,248)	-	( 2,248)

<u>Balance:</u>	31 December 2002	£ -	£ 30,337	£ 30,337
-----------------	------------------	-----	----------	----------

<u>NET BOOK VALUE:</u>	31 December 2002	£ -	£ 14,506	£ 14,506
------------------------	------------------	-----	----------	----------

<u>Balance:</u>	31 December 2001	£ 700	£ 16,117	£ 16,817
-----------------	------------------	-------	----------	----------

NOTE: 3

DEBTORS

	<u>2002</u>	<u>2001</u>
Trade Debtors	£ 55,610	£ 55,745
Sundry Debtors	5,131	3,892
	£ 60,741	£ 59,637



NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

NOTE: 4

CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	<u>2002</u>	<u>2001</u>
Trade Creditors	£ 51,208	£ 56,418
Other Creditors and Accruals	5,428	7,909
Social Security and Other Taxes	5,040	6,885
Bank Overdraft (Note: 4.1)	2,706	1,472
Net obligations under Finance Lease (Note: 4.1)	-	173
Corporation Tax	194	-
	-----	-----
	£ 64,576	£ 72,857
	=====	=====

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.

NOTE: 5

CALLED UP SHARE CAPITAL  
Authorised

	<u>2002</u>	<u>2001</u>
100,000 Ordinary Shares of 1p Each	£ 1,000	£ 1,000
	=====	=====
<u>Issued and Fully Paid</u>		
13,333 Ordinary Shares of 1p Each	£ 133.33	£ 133.33
	=====	=====

NOTE: 6SHARE PREMIUM

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

NOTE: 7TURNOVER

In the year to 31 December 2002 - 21% of the company's turnover was derived from markets outside the United Kingdom (2001 - 24%).

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 DECEMBER 2002 (CONTINUED)

NOTE: 8OPERATING RESULTS

The Operating Results are stated after the following	<u>2002</u>	<u>2001</u>
<u>After Charging</u>		
Depreciation of Tangible Fixed Assets		
- owned by the company	£ 1,611	£ 1,791
- held under Finance Leases	-	233
Directors Emoluments	18,000	19,548
Loss on Disposal of Leased Equipment	700	-
	<u>=====</u>	<u>=====</u>

NOTE: 9TAXATION

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

	<u>2002</u>	<u>2001</u>
Corporation Tax @ 10% (2001: 20%)		
based on the Adjusted Results for the Year	£ 194	£ -
Under/(Over) provision in respect of previous Year	36	( 560)
	<u>=====</u>	<u>=====</u>
	£ 230	£( 560)
	<u>=====</u>	<u>=====</u>

NOTE: 10FINANCIAL COMMITMENTS

At 31 December 2002 the company has annual commitments under non-cancellable operating lease as follows:

<u>Expiry Date</u>	<u>2002</u>	<u>2001</u>
Within 1 Year	£ 12,500	£ -
Between 2 and 5 Years	-	£ 12,500
	<u>=====</u>	<u>=====</u>