

AUDIO SYSTEMS LIMITED
REPORT OF THE DIRECTORS

The Directors present their report with the accounts of the company for the year ending 31 March 2000.

Principle activity

The company continued trading as a provider of video editing equipment and services. The company qualifies as a small company.

Dividends

The directors do not recommend the payment of a dividend for the year under review.

Directors

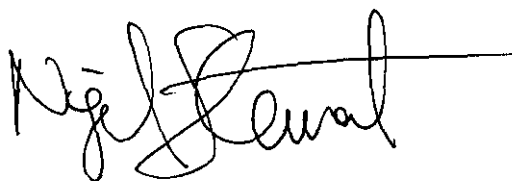
The directors in office in the year and their beneficial interest in the issued ordinary share capital throughout the year were as follows;

Ordinary shares

Mr N D Stewart

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BY ORDER OF THE BOARD.



Mr N D Stewart
DIRECTOR



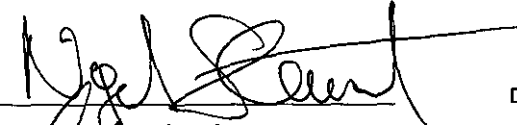
AUDIO SYSTEMS LTD
BALANCE SHEET AS AT 31 MARCH 2000

	<u>2000</u>	<u>1999</u>
	£	£
FIXED ASSETS		
Tangible Assets	21,923	91,522
CURRENT ASSETS		
Stocks		
Debtors	-	34
Investments		
Cash at bank and in hand	(709)	3,696
CREDITORS: amounts falling due within one year	54	487
NET CURRENT LIABILITIES	(656)	4,217
TOTAL ASSETS LESS CURRENT LIABILITIES	<u>21,267</u>	<u>95,739</u>
CREDITORS: amounts falling due after one year	55,797	127,782
CAPITAL AND RESERVES		
Called up share capital	202	202
Profit and loss Account	(34,328)	(31,841)
	(34,530)	(32,043)
	<u>21,267</u>	<u>95,739</u>

The directors have :-

- a) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1) [total exemption]
- b) confirmed that no notice has been deposited under Section 249B(2) of the Companies Act 1985
- c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985
- d) acknowledged their responsibilities for preparing accounts which give a true & fair view of the company and of its loss for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts; so far as applicable to this company.

" The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies (Section 246(8) of the Act)."


 _____ DIRECTOR

 _____ DIRECTOR

APPROVED BY THE BOARD.

AUDIO SYSTEMS LTD
NOTES TO THE ACCOUNTS
YEAR ENDED 31 MARCH 2000

ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historic cost convention.

Turnover

Turnover represents net invoiced sales of goods, services and leasing charges, excluding value added tax.

Tangible Fixed Assets

Depreciation is provided on the reducing balance basis at the following annual rate in order to write off each asset over its estimated useful life.

Leasehold land	- nil
Plant and Equipment	-15%

Stocks

Stock is valued at the lower of cost and net realisable value.

TURNOVER

The turnover and profit before taxation is attributable to the principal activity of the company, all the turnover being within the UK.

OPERATING PROFIT

The operating profit is stated after charging:

	<u>2000</u>	<u>1999</u>
	£	£
Depreciation of tangible fixed assets	3,554	6,015
Staff costs (note 4)	-	-
Auditors Remuneration	-	-
5. Interest Payable	48	80

6. There is no charge to taxation in view of the losses incurred.

(Cont'd.)

7. TANGIBLE FIXED ASSETS

	LEASEHOLD PROPERTY	EQUIPMENT	TOTAL
	£	£	£
Cost			
at 1 April 1999	63,666	42,917	106,583
Additions	-	1,196	1,196
Disposals	63,666	4,363	4,363
at 31 March 2000	-	39,750	103,416
Depreciation			
at 1 April 1999	-	6,015	6,015
Charge for the year	-	3,554	3,554
Prior year adjustment	-	(788)	(788)
at 31 March 2000	-	8,781	8,781
Written down value			
at 31 March 1999	63,666	36,902	100,568
at 31 March 2000	-	30,969	30,969

8. DEBTORS

	<u>2000</u> £	<u>1999</u> £
Trade debtors	-	-
HM Customs & Excise	-	<u>279</u>

10. CALLED UP SHARE CAPITAL

Authorised 1,000 Ordinary shares at £1 each	£1,000	£1,000
Allotted, Issued and Fully paid 202 Ordinary shares of £1 each	<u>£ 202</u>	<u>£ 202</u>