

FLOATING EARTH (EDITING) LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
30TH JUNE 2000

REGISTERED NUMBER: 0259 5113



COMPANY INFORMATION
FLOATING EARTH (EDITING) LIMITED

DIRECTORS

M.J. HATCH, ESQ.
M.J. CLEMENTS - Resigned 06.04.1999

SECRETARY

REGISTERED OFFICE

Adam House
1 Fitzroy Square
London
W1P 6HE

ACCOUNTANTS

Arthur G. Mead
Registered Auditors
Adam House
1 Fitzroy Square
London
W1P 6HE

FLOATING EARTH (EDITING) LIMITED

DIRECTORS' REPORT

The Directors have pleasure in presenting their Annual Report and Financial Statements for the year ended 30th June 2000.

Principal Activity:

The principal activity of the Company is that of Editing Tapes and Post Production Services to the Classical Music Industry.

Business Results:

The results for the year are set out in the attached financial statements.

Directors' Responsibilities:

The Company's directors have the following responsibilities:

- a) Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company at the end of the year and profit or loss for the year then ended.
- b) In preparing the financial statements the directors are required to :-
 - 1. select suitable accounting policies and apply them on a consistent basis, making judgements and estimates that are prudent and reasonable,
 - 2. prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.
- c) The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Year 2000 SOFTWARE ISSUES

The directors have made an assessment of the year 2000 problem.

The directors consider that the impact of the year 2000 problem will be minimal on the company.

FLOATING EARTH (EDITING) LIMITED

DIRECTORS' REPORT (continued)

Directors and their Interests:

The Directors and their interests in the Share Capital of the Company are as follows :-

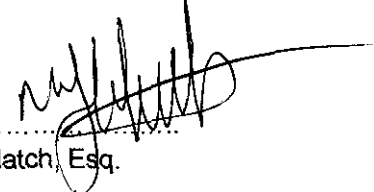
Ordinary £1 Shares
and
01.07.1999 30.06.2000

M.J. Hatch, Esq.
M.J. Clements, Esq.

1 Share
1 Share Resigned 06.04.1999

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

By order of the board:

X 
.....
M.J. Hatch, Esq.

FLOATING EARTH (EDITING) LIMITED

**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS
OF FLOATING EARTH (EDITING) LIMITED**

We have prepared, without carrying out an audit, the accounts for the year ended 30th June 2000 set out on pages 4 to 7 from the accounting records of the company, and from supporting documentation, information and explanations supplied to us and certify them to be in accordance therewith.

Adam House,
1 Fitzroy Square,
London. W.1.

25th April 2001.

A. G. Mead

ARTHUR G. MEAD

Registered Auditors.

FLOATING EARTH (EDITING) LIMITED**PROFIT and LOSS ACCOUNT****FOR THE YEAR ENDED 30TH JUNE 2000**

		<u>2000</u>		<u>1999</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Turnover		221,166		184,295
<u>Less:</u>				
Expenses of Office Premises	16,500		18,000	
Management Fees	60,257		63,469	
Editing Fees	30,924		26,727	
Equipment Hire	26,628		24,000	
Purchase of Tapes	4,069		5,222	
Transport	14,744		8,806	
Repairs to Equipment	368		117	
Bank Charges	151		203	
Interest Charges	-		317	
Accountancy Charges	5,140		5,140	
Sundry Expenses	15		503	
Depreciation	<u>7,192</u>		<u>5,505</u>	
		<u>165,988</u>		<u>158,009</u>
<u>NET PROFIT/(LOSS) FOR THE YEAR</u>		55,178		26,286
<u>TAXATION</u>		<u>(11,045)</u>		<u>(5,534)</u>
		44,133		20,752
<u>RETAINED PROFITS BROUGHT FORWARD</u>		<u>173,019</u>		<u>152,267</u>
<u>RETAINED PROFITS CARRIED FORWARD</u>		<u>£217,152</u>		<u>£173,019</u>

The Company's profit is derived from continuing operations and there were no acquisitions or discontinued operations during the current or preceeding year.

There are no recognised gains or losses other than those shown in the profit and loss account.

FLOATING EARTH (EDITING) LIMITED**BALANCE SHEET AS AT 30TH JUNE 2000**

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
		<u>£</u>	<u>£</u>
<u>FIXED ASSETS</u>	2	21,575	16,517
<u>CURRENT ASSETS</u>			
Debtors	3	54,919	43,743
Cash at Bank		26,636	3,869
Associated Company Loan		<u>160,900</u>	<u>134,900</u>
		<u>242,455</u>	<u>182,512</u>
<u>CURRENT LIABILITIES</u>			
Amounts Due Within One Year	4	<u>46,876</u>	<u>26,008</u>
<u>NET CURRENT ASSETS</u>		<u>195,579</u>	<u>156,504</u>
<u>NET ASSETS</u>		<u>£217,154</u>	<u>£173,021</u>
<u>CAPITAL and RESERVES</u>			
Share Capital	5	2	2
Revenue Reserves		<u>217,152</u>	<u>173,019</u>
<u>TOTAL SHAREHOLDERS FUNDS</u>		<u>£217,154</u>	<u>£173,021</u>

FLOATING EARTH (EDITING) LIMITED

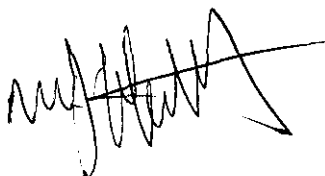
BALANCE SHEET AS AT 30TH JUNE 2000 (continued)

1. For the year ended 30th June 2000 the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985.
2. No notice has been deposited under subsection (2) of section 249 B.
3. The directors acknowledge their responsibilities for :
 - (i) ensuring that the company keeps proper accounting records which comply with Section 221 and
 - (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit and loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts so far as applicable to the company.
4. In preparing these accounts, the Directors have taken advantage of special exemptions applicable to small companies as in the Directors' opinion, the Company is entitled to those exemptions on the basis that it qualifies as a small company.
5. In preparing the abbreviated accounts, the Directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 as, in the Directors' opinion, the Company is entitled to those exemptions on the basis that it qualifies as a small company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities.

Approved by the board of directors on..... and signed on its behalf by:

25th April 2001.



M. HATCH, ESQ.

Director.



FLOATING EARTH (EDITING) LIMITEDNOTES TO THE ACCOUNTSYEAR ENDED 30TH JUNE 20001. Accounting Policies(a) Accounting Convention

The financial statements are prepared under the historical cost convention.

(b) Tangible Fixed Assets

These assets are stated at cost. Depreciation is provided on all Tangible Fixed Assets at rates calculated to write off the cost on a reducing balance basis over the estimated useful life of the asset. The rates in use are as follows :-

Equipment 25%

(c) Turnover

This represents the invoiced value of goods sold and services carried out excluding Value Added Tax and Discounts.

2.	<u>Fixed Assets</u>	<u>2000</u>	<u>1999</u>
	<u>Equipment</u>	<u>£</u>	<u>£</u>
	At Cost 01.07.1999	44,687	39,654
	Additions	<u>12,250</u>	<u>5,033</u>
		<u>£56,937</u>	<u>£44,687</u>
	<u>Depreciation</u>		
	At 01.07.1999	28,170	22,665
	Charge for year	<u>7,192</u>	<u>5,505</u>
		<u>£35,362</u>	<u>£28,170</u>
	<u>NET BOOK VALUE 30.06.2000</u>	<u>£21,575</u>	<u>£16,517</u>
3.	<u>Operating Profit</u>	<u>2000</u>	<u>1999</u>
		<u>£</u>	<u>£</u>
	After charging:		
	Depreciation of fixed assets	7,192	5,505
	Auditors' remuneration	<u>5,140</u>	<u>5,140</u>
		<u>£12,332</u>	<u>£10,645</u>

FLOATING EARTH (EDITING) LIMITEDNOTES TO THE ACCOUNTS (continued)YEAR ENDED 30TH JUNE 2000

	<u>2000</u>	<u>1999</u>
4. <u>Debtors</u>	<u>£</u>	<u>£</u>
Trade Debtors	46,996	38,278
Prepayments	3,424	3,358
Value Added Tax	<u>4,499</u>	<u>2,107</u>
	<u>£54,919</u>	<u>£43,743</u>
5. <u>Creditors</u> - Amounts falling due within one year	<u>£</u>	<u>£</u>
Trade Creditors	25,157	14,955
Other Creditors	5,534	-
Accruals	5,140	5,519
Corporation Tax	<u>11,045</u>	<u>5,534</u>
	<u>£46,876</u>	<u>£26,008</u>
6. <u>Share Capital</u>		
Authorised Ordinary Shares of £1 each	<u>£1,000</u>	<u>£1,000</u>
Allotted, Issued and Fully Paid	<u>£2</u>	<u>£2</u>