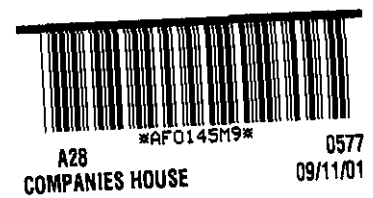


ALAN BAILEY (STUDIOS) LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

Company No. 1006870 (England & Wales)



ALAN BAILEY (STUDIOS) LIMITED
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2001

The directors present their report and the financial statements for the year ended 31 March 2001.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to 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:

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

PRINCIPAL ACTIVITY AND REVIEW OF BUSINESS

The principal activity is that of marketing, public relations and communications management consultants. Sales declined during the year resulting in an operating loss. The current year is, however, expected to show a turnaround.

RESULTS AND DIVIDENDS

The loss for the year amounted to £2,352. The directors do not recommend the payment of a dividend.

FUTURE DEVELOPMENTS

Over reliance on the property sector has been tempered by greater diversification and the diversification policy will continue. There are indications of increasing interest in the marketing, public relations and other services provided by the company and this will be exploited as far as possible to the company's benefit.

DIRECTORS

The directors who served during the year and their beneficial interests, in the company's issued ordinary share capital were:-

	At beginning and end of year Number of shares
T A Bailey	3,600
M M Munoz	-
J B Northam	-

This report was approved by the board on 29 August 2001 and signed on its behalf.


DIRECTOR

ALAN BAILEY (STUDIOS) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2001

	Note	2001 £	2000 £
TURNOVER	1	168,784	143,534
Cost of sales, administration and other overheads		166,435	187,864
GROSS PROFIT/(LOSS)		<u>2,349</u>	<u>(44,330)</u>
Bank interest received		3	7
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2	<u>2,352</u>	<u>(44,323)</u>
Taxation credit	5	-	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION		<u>2,352</u>	<u>(44,323)</u>
Balance at 1 April 2000		(4,754)	39,569
Balance at 31 March 2001		<u>£ (2,402)</u>	<u>£ (4,754)</u>

There were no recognised gains and losses for 2001 or 2000 other than those included in the profit and loss account.

The notes on pages 4 to 7 form part of these financial statements.

ALAN BAILEY (STUDIOS) LIMITED

BALANCE SHEET AS AT 31 MARCH 2001

	Note	2001	2000
		£	£
FIXED ASSETS			
Tangible fixed assets	6	570	3,513
CURRENT ASSETS			
Debtors and prepayments	7	19,088	15,801
Cash at bank and in hand		2,909	7,128
		<u>21,997</u>	<u>22,929</u>
CREDITORS: Amount falling due within one year	8	20,969	27,196
NET CURRENT ASSETS		1,028	(4,267)
NET ASSETS		<u>£ 1,598</u>	<u>£ (754)</u>
CAPITAL AND RESERVES			
Called up share capital	9	4,000	4,000
Profit and loss account		(2,402)	(4,754)
SHAREHOLDERS' FUNDS	12	<u>£ 1,598</u>	<u>£ (754)</u>

The directors consider that they are entitled to the exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding more than 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 March 2001 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements, so far as applicable to the company.

The financial statements were approved by the board on 29 August 2001 and signed on its behalf.



.....
DIRECTOR

The notes on pages 4 to 7 form part of these financial statements.

ALAN BAILEY (STUDIOS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and which are still continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover represents the invoiced value of services provided, stated net of Value Added Tax.

1.3 Depreciation

Depreciation is calculated to write off the cost of fixed assets over their useful economic lives at the following rates:-

Leasehold property		Over the lease term
Fixtures and fittings	-	20% straight line
Computer equipment		33 1/3 % straight line

2 PROFIT/(LOSS) ON ORDINARY ACTIVITIES
BEFORE TAXATION

2001 2000

Profit/(Loss) on ordinary activities before taxation is stated after charging:

Depreciation	£8,484	£2,924
	<u> </u>	<u> </u>

3. STAFF COSTS

The average weekly number of persons (including directors) employed by the company during the year was

4 4

Staff costs (for the above persons)

Wages and salaries	58,698	85,161
Other pensions and staff costs	9,145	6,858
Social security	6,124	8,335
	<u>73,967</u>	<u>100,354</u>

ALAN BAILEY (STUDIOS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

4.	DIRECTORS' REMUNERATION	2001	2000
	Fees	39,153	80,166
	Other emoluments (including benefits in kind)	9,145	6,858
		<u>48,298</u>	<u>87,024</u>

5. TAXATION

U K current year taxation		
U K Corporation Tax @ 20% (2000 – 20%)	-	-
	<u>-</u>	<u>-</u>

6. TANGIBLE FIXED ASSETS

	Property	Computer Equipment	Furniture & Equipment	Total
COST				
At 1 April 2000	751	15,778	90,887	107,416
Additions	-	5,081	460	5,541
At 31 March 2001	<u>751</u>	<u>20,859</u>	<u>91,347</u>	<u>112,957</u>
DEPRECIATION				
At 1 April 2000	750	15,577	87,576	103,903
Charge for the year	-	5,081	3,403	8,484
At 31 March 2001	<u>750</u>	<u>20,658</u>	<u>90,979</u>	<u>112,387</u>
Balance Sheet at 31 March 2001	<u>£ 1</u>	<u>£ 201</u>	<u>£368</u>	<u>£ 570</u>
Balance Sheet at 31 March 2000	<u>£ 1</u>	<u>£ 201</u>	<u>£ 3,311</u>	<u>£ 3,513</u>

7. DEBTORS

	2001	2000
Due within one year	5,491	2,763
Trade debtors	13,597	13,038
	<u>19,088</u>	<u>15,801</u>

ALAN BAILEY (STUDIOS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

8. CREDITORS

Due within one year:	2001	2000
Trade creditors	1,834	4,610
Other creditors and accruals	11,889	15,381
Other taxation and social security	7,246	5,247
	<u>£ 20,969</u>	<u>£ 25,238</u>

9. CALLED UP SHARE CAPITAL

Authorised

Ordinary shares of £1 each	<u>£ 4,000</u>	<u>£ 4,000</u>
----------------------------	----------------	----------------

Issued and fully paid

Ordinary shares of £1 each	<u>£ 4,000</u>	<u>£ 4,000</u>
----------------------------	----------------	----------------

10. COMMITMENTS UNDER OPERATING LEASES

At 31 March 2001 the company had annual commitments under non-cancellable operating leases as follows:

LEASEHOLD PROPERTIES	2001	2000
Contracted for but not provided for in the accounts.		
Expiring between 2 and 5 years (inclusive)	<u>£17,500</u>	<u>£15,856</u>

11. RELATED PARTY TRANSACTIONS

During the year the company received £3,200 from Alastor Limited, a company in which T A Bailey has an interest.

ALAN BAILEY (STUDIOS) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2001

12. MOVEMENT ON SHAREHOLDERS' FUNDS

Profit for the year	2,352
Opening shareholders' funds	(754)
Closing shareholders' funds	£ <u>(1,598)</u>