

**FISHER LANE FARM LIMITED**

**Report and Financial Statements**

**31 December 2000**

**Deloitte & Touche  
Hill House  
1 Little New Street  
London EC4A 3TR**



**REPORT AND FINANCIAL STATEMENTS 2000**

<b>CONTENTS</b>	<b>Page</b>
<b>Directors' report</b>	<b>1</b>
<b>Statement of directors' responsibilities</b>	<b>2</b>
<b>Auditors' report</b>	<b>3</b>
<b>Profit and loss account</b>	<b>4</b>
<b>Balance sheet</b>	<b>5</b>
<b>Notes to the accounts</b>	<b>6</b>

**DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements of the company for the year ended 31 December 2000.

**ACTIVITIES**

The principal activity of the company continued to be that of the provision of recording facilities.

**REVIEW OF DEVELOPMENTS AND FUTURE PROSPECTS**

The directors believe that the result for the year and the financial position at the year end are satisfactory.

The directors will take every opportunity to develop the business in the future.

**DIVIDENDS AND RESULT FOR THE YEAR**

The directors do not recommend the payment of a dividend (1999 - £nil). The loss before tax for the year was £59,066 (1999 - £214,048).

**DIRECTORS**

The directors who served during the year, together with their beneficial interests as defined by the Companies Act 1985, in the shares of the company at 1 January 2000 and 31 December 2000 were as follows:

	Ordinary shares of £1 each	
	31 December 2000	1 January 2000
M J C C Rutherford	50	50
A G Banks	50	50

**AUDITORS**

Deloitte & Touche have expressed their willingness to remain in office and accordingly a resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board



M J C C Rutherford

Director

27 July 2001

## **STATEMENT OF 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 as at the end of the financial year 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **FISHER LANE FARM LIMITED**

### **AUDITORS' REPORT TO THE MEMBERS**

We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

#### **Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of the financial statements, which are required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

#### **Basis of opinion**

We conducted our audit in accordance with United Kingdom auditing standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

#### **Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Deloitte & Touche**

Chartered Accountants and  
Registered Auditors

*10 August* 2001

**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 December 2000**

	Note	2000 £	1999 £
<b>TURNOVER</b>	1.2	197,035	89,751
Cost of sales		(14,648)	(37,622)
Gross profit		182,387	52,129
Administrative expenses		(243,293)	(279,984)
<b>OPERATING LOSS</b>	4	(60,906)	(227,855)
Interest receivable and similar income		1,948	14,139
Interest payable and similar charges	5	(108)	(332)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		(59,066)	(214,048)
Tax on loss on ordinary activities	6	-	-
<b>LOSS ON ORDINARY ACTIVITIES AFTER TAXATION</b>		(59,066)	(214,048)
<b>Balance brought forward</b>		(451,187)	(237,139)
<b>Balance carried forward</b>		(510,253)	(451,187)

All activities derive from continuing operations.

There are no recognised gains or losses other than the loss for the current and preceding financial years and accordingly no statement of total recognised gains and losses is shown.

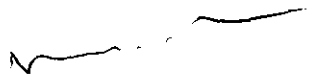
There are no movements on reserves or shareholders' funds for either financial year other than the movement on the profit and loss account as shown above.

**BALANCE SHEET**  
**31 December 2000**

	Note	2000 £	1999 £
<b>FIXED ASSETS</b>			
Tangible assets	7	459,902	477,204
<b>CURRENT ASSETS</b>			
Debtors	8	103,608	17,694
Cash at bank and in hand		-	108,955
		103,608	126,649
<b>CREDITORS: amounts falling due within one year</b>	9	(36,439)	(17,716)
<b>NET CURRENT ASSETS</b>		67,169	108,933
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		527,071	586,137
<b>CREDITORS: amounts falling due after more than one year</b>	10	(1,037,224)	(1,037,224)
<b>NET LIABILITIES</b>		(510,153)	(451,087)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	12	100	100
Profit and loss account		(510,253)	(451,187)
<b>EQUITY SHAREHOLDERS' DEFICIT</b>		(510,153)	(451,087)

These financial statements were approved by the Board of Directors on 27 July 2001.

Signed on behalf of the Board of Directors

  
M J C C Rutherford  
Director

## NOTES TO THE ACCOUNTS

### Year ended 31 December 2000

#### 1. ACCOUNTING POLICIES

The financial statements are prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

##### Accounting convention

The financial statements are prepared under the historical cost convention.

##### Tangible fixed assets

Depreciation is not provided on freehold land.

On other assets depreciation is provided in equal annual instalments over the estimated useful lives of the assets and is calculated on the cost of the assets.

The following rates are used:

Freehold buildings	2.5% per annum
Furniture, fixtures and fittings and equipment	40% per annum
Studio equipment	40% per annum
Motor vehicles	25% per annum
Computer equipment	20% per annum

##### Deferred taxation

Deferred taxation is provided at the anticipated tax rates on timing differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

##### Turnover

Turnover represents recording studio and crew hire fees receivable net of value added tax.

##### Going concern basis

The balance sheet shows a deficit of net assets of £510.153 at 31 December 2000. This amount is stated after liabilities of £1,037,224 due to related companies (see note 13).

The companies have confirmed their intention to maintain financial support to the company and accordingly the directors have drawn up the accounts on the going concern basis.

#### 2. TURNOVER

The company's turnover is derived wholly from the United Kingdom, is wholly attributable to the company's principal activity, and is substantially in respect of services provided on normal commercial terms to the directors in their professional capacities.

#### 3. INFORMATION REGARDING DIRECTORS AND EMPLOYEES

	2000	1999
	£	£
Employee costs during the year:		
Wages and salaries	129,070	131,424
Social security costs	14,599	14,548
	<u>143,669</u>	<u>145,972</u>
Average number of persons employed (excluding directors):	No.	No.
Production	<u>3</u>	<u>3</u>

The directors did not receive any remuneration in either financial year.

NOTES TO THE ACCOUNTS  
Year ended 31 December 2000

## 4. OPERATING LOSS

	2000 £	1999 £
Operating loss is stated after charging/(crediting):		
Depreciation on owned assets	17,302	23,251
Auditors' remuneration - audit fees	6,000	6,700
Profit on disposal of fixed assets	(26,335)	(2,070)

## 5. INTEREST PAYABLE AND SIMILAR CHARGES

	2000 £	1999 £
Sundry interest payable	108	332

## 6. TAX ON PROFIT ON ORDINARY ACTIVITIES

No tax charge arises due to the loss for the year.

## 7. TANGIBLE FIXED ASSETS

	Freehold land and buildings £	Equipment £	Studio equipment £	Motor vehicles £	Furniture, fixtures and fittings £	Computer Equipment £	Total £
<b>Cost:</b>							
At 1 January 2000	686,594	925,146	504,162	110,405	120,896	16,049	2,363,252
Disposals	-	(143,705)	-	(26,995)	-	-	(170,700)
At 31 December 2000	686,594	781,441	504,162	83,410	120,896	16,049	2,192,552
<b>Depreciation:</b>							
At 1 January 2000	223,121	925,146	504,162	110,405	120,004	3,210	1,886,048
Charge for the year	13,497	-	-	-	595	3,210	17,302
Disposals	-	(143,705)	-	(26,995)	-	-	(170,700)
At 31 December 2000	236,618	781,441	504,162	83,410	120,599	6,420	1,732,650
<b>Net book value:</b>							
At 31 December 2000	449,976	-	-	-	297	9,629	459,902
At 31 December 1999	463,473	-	-	-	892	12,839	477,204

Included in freehold land and buildings is land with an original cost of £146,703 which is not depreciated.

NOTES TO THE ACCOUNTS  
Year ended 31 December 2000

## 8. DEBTORS

	2000 £	1999 £
Other debtors	9,029	10,033
Prepayments and accrued income	94,579	7,661
	<u>103,608</u>	<u>17,694</u>

## 9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank overdraft	16,270	-
Other creditors	144	145
Taxation and social security	7,454	7,196
Accruals and deferred income	12,571	10,375
	<u>36,439</u>	<u>17,716</u>

## 10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Loans from related companies (see note 13)	<u>1,037,224</u>	<u>1,037,224</u>

The loans are due after more than one year with no fixed date for repayment, and are interest free.

## 11. DEFERRED TAXATION

Deferred taxation not provided in the financial statements is as follows:

	2000 £	1999 £
Capital allowances in excess of depreciation	61,868	49,051
Revenue losses	(101,079)	(72,221)
	<u>(39,211)</u>	<u>(23,170)</u>

## 12. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Called up, allotted and fully paid: 100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

## NOTES TO THE ACCOUNTS

Year ended 31 December 2000

## 13. RELATED PARTY TRANSACTIONS

During the year the company received fees of £90,000 (1999 - £nil) from each of Anthony Banks Limited and Michael Rutherford Limited in relation to the provision of recording facilities.

A G Banks and M J C C Rutherford control their respective service companies.

The amounts due to these companies at 31 December 2000 were as follows:

	2000 £	1999 £
Anthony Banks Limited	520,884	520,884
Michael Rutherford Limited	516,340	516,340
	<u>1,037,224</u>	<u>1,037,224</u>