

Company Number 02459785

EARTH LIMITED

REPORT AND ACCOUNTS

YEAR ENDED 31ST DECEMBER 1997

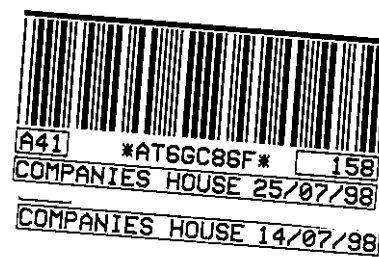
WELLERS

ACCOUNTANTS

53 GROSVENOR STREET

LONDON

W1X 9FH



EARTH LIMITED  
REPORT AND ACCOUNTS  
YEAR ENDED 31ST DECEMBER 1997

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EARTH LIMITED

COMPANY INFORMATION

YEAR ENDED 31ST DECEMBER 1997

DIRECTORS

G C Donovan  
I D Allcock (Resigned 8/2/98)

SECRETARY

I D Allcock

REGISTERED OFFICE

2 Durand Gardens  
London  
SW9 0PP

AUDITORS

Wellers  
Accountants  
53 Grosvenor Street  
London  
W1X 9FH

BANKERS

Lloyds Bank Plc  
Market Branch  
802 Oxford Street  
Swansea SA1 3AP

EARTH LIMITED

REPORT OF THE DIRECTORS

YEAR ENDED 31ST DECEMBER 1997

The directors have pleasure in submitting their report, together with the audited accounts of the company, for the year ended 31st December 1997.

PRINCIPAL ACTIVITY

The principal activity of the company during the year under review, was that of Travel and Theatre Agents.

There were no significant changes in these activities during the year.

FIXED ASSETS

Changes in fixed assets are shown in the notes to the accounts.

DIRECTORS

The directors who held office during the year were as follows:-

G C Donovan  
I D Allcock

DIRECTORS INTERESTS

The interests of the directors and their families in the shares of the company were as follows:-

	<u>Ordinary shares of £1 each</u>	
	<u>1997</u>	<u>1996</u>
G C Donovan - A Shares	60	60
I D Allcock - A Shares	20	20
B Shares	11,000	-

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on a 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 accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

EARTH LIMITED

REPORT OF THE DIRECTORS (CONTD)

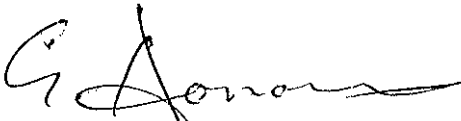
YEAR ENDED 31ST DECEMBER 1997

AUDITORS

Wellers have expressed their willingness to be re-appointed as auditors and a resolution to this effect will be proposed at the Annual General Meeting.

In preparing the above report the directors have taken advantage of special exemptions applicable to small companies.

By order of the Board

A handwritten signature in dark ink, appearing to read 'G C Donovan', with a stylized flourish at the end.

G C Donovan  
DIRECTOR

30th June 1998

REPORT OF THE AUDITORS TO THE MEMBERS OF

EARTH LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial statements. 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 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 judgments 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 31st December 1997 and of the loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



Wellers  
Registered Auditors  
53 Grosvenor Street  
London  
W1X 9FH

30th June 1998

EARTH LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST DECEMBER 1997

			<u>1997</u>		<u>1996</u>
	<u>Notes</u>	£	£	£	£
Turnover	1.3		736,786		665,931
Cost of sales			648,101		575,643
Gross Profit			88,685		90,288
Administrative expenses			103,479		101,883
Net operating loss			(14,794)		(11,595)
Interest receivable		-		22	
Interest payable		(13)		(183)	
			(13)		(161)
Loss on ordinary activities before taxation	2		(14,807)		(11,756)
Taxation			-		-
Loss on ordinary activities after taxation			(14,807)		(11,756)
NET LOSS FOR THE YEAR			£ (14,807)		£ (11,756)

STATEMENT OF ACCUMULATED DEFICIT

Opening balance at 1st January 1997	(30,128)	(18,372)
Net loss for the year	(14,807)	(11,756)
ACCUMULATED DEFICIT CARRIED FORWARD	£ (44,935)	£ (30,128)

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the above two financial years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than those included in the results above.

EARTH LIMITED

BALANCE SHEET

AT 31ST DECEMBER 1997


	<u>Notes</u>	£	<u>1997</u> £	£	<u>1996</u> £
<u>FIXED ASSETS</u>					
Tangible assets			3,335		3,777
			<u>3,335</u>		<u>3,777</u>
<u>CURRENT ASSETS</u>					
Debtors	3	13,985		9,720	
Cash at bank and in hand		5,223		859	
		<u>19,208</u>		<u>10,579</u>	
CREDITORS - amounts falling due within one year	4	(36,378)		(24,384)	
NET CURRENT LIABILITIES			<u>(17,170)</u>		<u>(13,805)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>(13,835)</u>		<u>(10,028)</u>
NET LIABILITIES			<u>£ (13,835)</u>		<u>£ (10,028)</u>

Financed by:

CAPITAL AND RESERVES

Called up share capital	5	31,100	20,100
Profit and loss account		(44,935)	(30,128)
		<u>£ (13,835)</u>	<u>£ (10,028)</u>

The directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985. The accounts were approved by the board on 30th June 1998 and signed on its behalf.

  
G C Donovan

DIRECTOR

Notes 1. to 5. form part of these accounts

## EARTH LIMITED

### NOTES TO THE ACCOUNTS

#### 1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

##### 1.1 Accounting Conventions

The accounts have been prepared under the historical cost accounting convention, set out in the 4th Schedule to the Companies Act 1985, and comply with the Statements of Standard Accounting Practice.

##### 1.2 Cash flow statement

The company has taken advantage of the exemption available per FRS 1 for small companies not to prepare a cash flow statement.

##### 1.3 Turnover

This represents the invoiced amounts of goods sold and provided, net of value added tax.

##### 1.4 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, at rates calculated to write off the cost by equal annual instalments over their estimated useful lives at the following rates:-

	<u>Rate per annum</u>	<u>Term</u>
Office equipment	25.00%	Net Book Value
Fixtures and fittings	25.00%	Net Book Value

##### 1.5 Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future.

No provision has been made in the accounts due to the availability of tax losses.

EARTH LIMITED

NOTES TO THE ACCOUNTS

2. SUPPLEMENTARY PROFIT AND LOSS INFORMATION

The Loss on ordinary activities before taxation has been determined after charging or crediting the following:-

	<u>1997</u> £	<u>1996</u> £
Hire of equipment	6,847	8,649
Depreciation	1,112	1,411
Profit on disposal of fixed assets	-	2,416
Auditors' remuneration	1,000	1,000
Directors' emoluments	23,914	21,000
Interest payable	13	183
Interest receivable	-	(22)
	<u>          </u>	<u>          </u>

3. TANGIBLE FIXED ASSETS

	<u>Office</u> <u>Equipment</u> £	<u>Fixtures &amp;</u> <u>Fittings</u> £	<u>Total</u> £
<u>Cost</u>			
At commencement	10,060	3,269	13,329
Additions	-	670	670
	<u>          </u>	<u>          </u>	<u>          </u>
Cost at 31st December 1997	10,060	3,939	13,999
<u>Depreciation</u>			
At commencement	7,320	2,232	9,552
Charge for the year	685	427	1,112
	<u>          </u>	<u>          </u>	<u>          </u>
Depreciation at 31st December 1997	8,005	2,659	10,664
	<u>          </u>	<u>          </u>	<u>          </u>
Net book value at 31st December 1997	<u>2,055</u>	<u>1,280</u>	<u>3,335</u>
Net book value at 31st December 1996	<u>2,740</u>	<u>1,037</u>	<u>3,777</u>

EARTH LIMITED  
NOTES TO THE ACCOUNTS

4. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Trade debtors	431	-
Social security and other taxes	1,472	1,699
Other debtors	10,800	8,021
Prepayments	1,282	-
	<u>13,985</u>	<u>9,720</u>

5. CREDITORS: Amounts falling due within one year

	<u>1997</u> £	<u>1996</u> £
Trade creditors	25,590	18,810
Other taxes and social security costs	6,786	4,571
Other creditors	2,000	-
Accruals	2,002	1,003
	<u>36,378</u>	<u>24,384</u>

6. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and fully paid</u>	
	£	<u>1997</u> £	<u>1996</u> £
Ordinary A shares of £1 each	50,000	100	100
Ordinary B shares of £1 each	50,000	31,000	20,000
	<u>100,000</u>	<u>31,100</u>	<u>20,100</u>

During the year the company issued 11,000 Ordinary B Shares of £1 each.

EARTH LIMITED

NOTES TO THE ACCOUNTS

7. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS FUNDS

	<u>1997</u>	<u>1996</u>
Loss for the financial year	(14,807)	(11,756)
Opening shareholders funds	(10,028)	1,728
Increase in share capital	11,000	-
Closing shareholders funds	<u>(13,835)</u>	<u>(10,028)</u>