

BSL EXPRESS SERVICE LIMITED

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ANNUAL REPORT AND STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000

DIRECTORS

M TREISTER  
J M TREISTER

SECRETARY

J M TREISTER

REGISTERED OFFICE

62 NEW CAVENDISH STREET  
LONDON W1M 7LD

AUDITORS

SINGER HOME DESAI & CO  
REGISTERED AUDITOR  
CERTIFIED ACCOUNTANTS  
62 NEW CAVENDISH STREET  
LONDON W1M 7LD

ND/JAJ/3279/6/00(1)



ANNUAL REPORT AND STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000

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DIRECTORS REPORT  
FOR THE YEAR ENDED 31 MARCH 2000

The Directors have pleasure in submitting their Annual Report to the members together with the Audited Accounts and Notes thereto.

PRINCIPAL ACTIVITY

The Principal Activities of the company have not changed significantly during the year under review and remain those of Agents and Distributors of Electronic Components and Equipment.

DIRECTORS

The constitution of the Board, their interests (and those of their immediate families) in the Capital of the company were as follows:

|            | <u>Beneficial Holdings</u> |             |
|------------|----------------------------|-------------|
|            | <u>Shares of £1 Each</u>   |             |
|            | <u>2000</u>                | <u>1999</u> |
| M Treister | 90                         | 90          |
| J Treister | 10                         | 10          |
|            | -----                      | -----       |
|            | 100                        | 100         |
|            | ===                        | ===         |

No changes in the constitution of the Board have taken place during the year.

TAXATION

So far as the Directors are aware the company falls within the meaning of a "Close Company" as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

In accordance with Section 384 of the Companies Act 1985 a resolution proposing the re-appointment of Singer Home Desai & Co as Auditors to the company will be put to the Annual General Meeting.

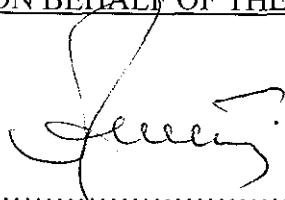
DIRECTORS REPORT

FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

SMALL COMPANY RULES

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD



CHAIRMAN

(m Trester)

28/1/01

DATE

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 and of the profit or loss of the company for that year. 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.

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.

BSL EXPRESS SERVICE LIMITED

We have audited the Financial Statements on pages 7 to 13 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on Page 9.

Respective responsibilities of Directors and Auditors

As described on page 5 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

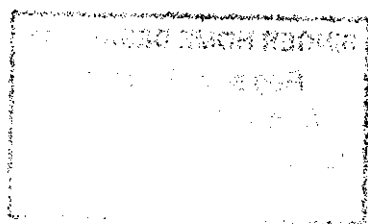
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the Financial Statements. It also includes an assessment of the significant estimate and judgements 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 far 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 as at 31 March 2000 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Singer Home Desai & Co*  
**SINGER HOME DESAI & Co.**  
Registered Auditor  
Certified Accountants  
62 New Cavendish Street  
London W1M 7LD  
24 January 2001

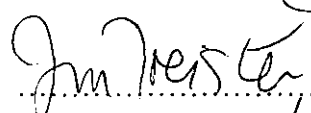


BALANCE SHEET AS AT 31 MARCH 2000

| <u>FIXED ASSETS</u>                 | <u>NOTES</u> | <u>2000</u>      | <u>1999</u>      |
|-------------------------------------|--------------|------------------|------------------|
| Tangible Assets                     | 2            | £ 22,959         | £ 28,214         |
| <u>CURRENT ASSETS</u>               |              |                  |                  |
| Stocks                              | 3            | £ 13,919         | £ 25,092         |
| Debtors                             | 4            | 55,686           | 71,435           |
| Bank Accounts                       |              | 103,896          | 86,342           |
|                                     |              | <u>£ 173,501</u> | <u>£ 182,869</u> |
| <u>CREDITORS</u>                    |              |                  |                  |
| Amounts falling due within One Year | 5            | <u>£ 111,338</u> | <u>£ 97,853</u>  |
| <u>NET CURRENT ASSETS</u>           |              | 62,163           | 85,016           |
| <u>NET ASSETS</u>                   |              | <u>£ 85,122</u>  | <u>£ 113,230</u> |
| <u>CAPITAL AND RESERVES</u>         |              |                  |                  |
| <u>CALLED UP SHARE CAPITAL</u>      | 6            | £ 100            | £ 100            |
| <u>PROFIT AND LOSS ACCOUNT</u>      |              | 85,022           | 113,130          |
| <u>SHAREHOLDERS FUNDS</u>           |              | <u>£ 85,122</u>  | <u>£ 113,230</u> |

The financial statements have been prepared in accordance with the special provision of Part V11 of the Companies Act 1985 applicable to Small Companies, and in accordance with the Financial Reporting Standards for smaller entities (effective March 2000).

  
 ..... DIRECTOR  
 (J. M. Trester)

  
 ..... DIRECTOR  
 (J. M. Trester)

Approved by the Board on 24/1 ..... 2000.

The Notes on pages 9 to 13 form part of these Accounts.

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 2000

|                                                                  | <u>NOTES</u> | <u>2000</u> | <u>1999</u> |
|------------------------------------------------------------------|--------------|-------------|-------------|
| <u>TURNOVER</u>                                                  | 7            | £ 441,027   | £ 616,860   |
| Cost of Sales                                                    |              | 233,820     | 396,623     |
|                                                                  |              | -----       | -----       |
| <u>GROSS PROFIT</u>                                              |              | 207,207     | 220,237     |
| Profit on Exchange                                               |              | 516         | 504         |
|                                                                  |              | -----       | -----       |
|                                                                  |              | 207,723     | 220,741     |
| <u>LESS:</u>                                                     |              |             |             |
| Administration Expenses                                          | £ 123,301    | £ 122,539   |             |
| Other Operating Expenses                                         | 114,528      | 237,829     | 116,284     |
|                                                                  | -----        | -----       | -----       |
| <u>LOSS ON ORDINARY</u><br><u>ACTIVITIES BEFORE INTEREST</u>     | 8            | ( 30,106)   | ( 18,082)   |
| Interest Receivable                                              |              | 2,034       | 3,623       |
|                                                                  |              | -----       | -----       |
| <u>LOSS ON ORDINARY</u><br><u>ACTIVITIES BEFORE TAXATION</u>     |              | ( 28,072)   | ( 14,459)   |
| <u>TAXATION</u>                                                  | 9            | ( 36)       | -           |
|                                                                  |              | -----       | -----       |
| <u>LOSS ON ORDINARY</u><br><u>ACTIVITIES AFTER TAXATION</u>      |              | ( 28,108)   | ( 14,459)   |
| <u>EXTRAORDINARY ITEM</u>                                        | 10           | -           | 20,916      |
|                                                                  |              | -----       | -----       |
|                                                                  |              | ( 28,108)   | 6,457       |
| <u>DIVIDEND</u>                                                  |              | -           | -           |
|                                                                  |              | -----       | -----       |
| <u>RETAINED (LOSS)/PROFIT</u><br><u>FOR THE FINANCIAL YEAR</u>   |              | ( 28,108)   | 6,457       |
| <u>PROFIT AND LOSS ACCOUNT</u><br><u>BALANCE BROUGHT FORWARD</u> |              | 113,130     | 106,673     |
|                                                                  |              | -----       | -----       |
| <u>PROFIT AND LOSS ACCOUNT</u><br><u>BALANCE CARRIED FORWARD</u> |              | £ 85,022    | £ 113,130   |
|                                                                  |              | =====       | =====       |

The Notes on pages 9 to 13 form part of these Accounts..

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000

NOTE: 1  
ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

These Accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 2000).

1.2 TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful working life less its residual value.

|                                  |                              |
|----------------------------------|------------------------------|
| Motor Vehicles                   | 25% p.a)                     |
| Equipment                        | 15% p.a) on reducing balance |
| Furniture, Fixtures and Fittings | 15% p.a)                     |

1.3 STOCK

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

1.4 DEFERRED TAXATION

In compliance with Statement Accounting practice No.15, no provision is considered necessary for any potential Taxation Liability in respect of timing differences arising between results as computed for taxation purposes and results as stated in these accounts as, in the opinion of the Directors, they do not foresee any liability arising as a result of the reversal of timing differences for some considerable period ahead and there is no indication that, after this period, the situation is likely to change so as to create liabilities for which provision is considered necessary.

1.5 TURNOVER

Turnover represents the total income receivable by the company (exclusive of Value Added Tax) in respect of services rendered.

1.6 FOREIGN CURRENCIES

Assets and Liabilities in Foreign Currencies are translated into Sterling at the rate of exchange ruling at the Balance Sheet date. Transactions in Foreign Currencies are converted into Sterling at the rate of exchange ruling at the date of transaction.

Exchange differences are taken into account in arriving at the operating results for the year.

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

1.7 PENSIONS

The company operates a defined contribution pension scheme and the pension charge represents the amount payable by the company to the fund in respect of the year.

NOTE: 2

| <u>TANGIBLE FIXED ASSETS</u>        |               | <u>MOTOR</u>   | <u>FURNITURE</u>      |                  |              |
|-------------------------------------|---------------|----------------|-----------------------|------------------|--------------|
| <u>COST</u>                         |               | <u>VEHICLE</u> | <u>FIXTURES &amp;</u> | <u>EQUIPMENT</u> | <u>TOTAL</u> |
|                                     |               |                | <u>FITTINGS</u>       |                  |              |
| <u>Balance:</u>                     | 1 April 1999  | £ 18,200       | £ 9,278               | £ 37,730         | £ 65,208     |
| Additions                           |               | -              | -                     | -                | -            |
| Disposals                           |               | -              | -                     | -                | -            |
| <u>Balance:</u>                     | 31 March 2000 | £ 18,200       | £ 9,278               | £ 37,730         | £ 65,208     |
| <u>DEPRECIATION:</u>                |               |                |                       |                  |              |
| <u>Balance:</u>                     | 1 April 1999  | £ 7,962        | £ 7,180               | £ 21,852         | £ 36,994     |
| Provided in the Year                |               | 2,559          | 314                   | 2,382            | 5,255        |
| Written off in respect of Disposals |               | -              | -                     | -                | -            |
| <u>Balance:</u>                     | 31 March 2000 | £ 10,521       | £ 7,494               | £ 24,234         | £ 42,249     |
| <u>NET BOOK VALUE:</u>              | 31 March 2000 | £ 7,679        | £ 1,784               | £ 13,496         | £ 22,959     |
| <u>NET BOOK VALUE:</u>              | 31 March 1999 | £ 10,238       | £ 2,098               | £ 15,878         | £ 28,214     |

NOTE: 3

| <u>STOCK</u>   | <u>2000</u> | <u>1999</u> |
|----------------|-------------|-------------|
| Finished Goods | £ 13,919    | £ 25,092    |

NOTE: 4

| <u>DEBTORS</u>                 | <u>2000</u> | <u>1999</u> |
|--------------------------------|-------------|-------------|
| Trade Debtors                  | £ 42,527    | £ 54,865    |
| Sundry Debtors and Prepayments | 13,159      | 10,876      |
| Corporation Tax                | -           | 5,694       |
|                                | £ 55,686    | £ 71,435    |

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

NOTE: 5

| <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u> | <u>2000</u>      | <u>1999</u>     |
|-------------------------------------------------------|------------------|-----------------|
| Trade Creditors                                       | £ 39,208         | £ 36,034        |
| Sundry Creditors and Accruals                         | 24,138           | 8,402           |
| Associated Company Account (Note: 5.1)                | 44,218           | 51,051          |
| Social Security and Other Taxes                       | 3,774            | 2,366           |
|                                                       | <u>£ 111,338</u> | <u>£ 97,853</u> |

NOTE: 5.1

| <u>ASOCIATED COMPANY ACCOUNT</u>  | <u>2000</u>  | <u>1999</u>  |
|-----------------------------------|--------------|--------------|
| Amounts due to Associated Company | £ 44,218     | £ 51,051     |
|                                   | <u>=====</u> | <u>=====</u> |

NOTE: 6

| <u>CALLED UP SHARE CAPITAL</u>   | <u>2000</u>  | <u>1999</u>  |
|----------------------------------|--------------|--------------|
| <u>Authorised</u>                |              |              |
| 1,000 Ordinary Shares of £1 Each | £ 1,000      | £ 1,000      |
|                                  | <u>=====</u> | <u>=====</u> |
| <u>Issued and Fully Paid</u>     |              |              |
| 100 Ordinary Shares of £1 Each   | £ 100        | £ 100        |
|                                  | <u>=====</u> | <u>=====</u> |

NOTE: 7TURNOVER

In the year to 31 March 2000, 47% of the company's turnover was derived from markets Outside the United Kingdom (1999- 78%).

NOTE: 8PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

| The Profit on Ordinary activities before taxation is stated after charging: | <u>2000</u>  | <u>1999</u>  |
|-----------------------------------------------------------------------------|--------------|--------------|
| Depreciation                                                                | £ 5,255      | £ 6,583      |
| Directors Emoluments                                                        | 10,000       | 10,000       |
| Staff Pension Cost                                                          | 3,360        | 3,360        |
| Auditors Remuneration                                                       | 2,950        | 2,750        |
|                                                                             | <u>=====</u> | <u>=====</u> |

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

NOTE: 9TAXATION

Taxation on the results of the Ordinary Activities for the year was as follows:

|                                                 | <u>2000</u> | <u>1999</u> |
|-------------------------------------------------|-------------|-------------|
| Corporation Tax payable based on                |             |             |
| Adjusted Results for the Year @ 20% (1999: 21%) | £ -         | £ -         |
| Under Provision in respect of Previous Year     | 36          | -           |
|                                                 | -----       | -----       |
|                                                 | £ 36        | £ -         |
|                                                 | =====       | =====       |

There is no potential liability for deferred taxation.

NOTE: 10EXTRAORDINARY ITEM

|                               | <u>2000</u> | <u>1999</u> |
|-------------------------------|-------------|-------------|
| Bank Account Balance realised | £ -         | £ 20,916    |
|                               | =====       | =====       |

In July 1991 one of the company's Bankers, Bank of Credit and Commerce International ceased to trade. The amount was previously written off as an Extraordinary Item. During the previous year the company received an amount of £20,916 in respect of this balance and the amount has been written back as an Extraordinary Item.

NOTE: 11FINANCIAL COMMITMENTS

At 31 March 2000 the company had annual commitments under none cancellable Operating Losses as follows:

|                       | <u>Land and Building</u> |             |
|-----------------------|--------------------------|-------------|
| <u>Expiry Date</u>    | <u>2000</u>              | <u>1999</u> |
| Between 2 and 5 Years | £ 50,199                 | £ 50,199    |
|                       | =====                    | =====       |

NOTES TO AND FORMING PART OF THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000 (CONTINUED)

NOTE: 12

CONTINGENT LIABILITY

At the accounting date there was a contingent liability to the company's bankers amounting to no more than £12,000 arising out of a guarantee given to HM Customs & Excise which is only likely to be called upon by HM Customs & Excise in the event of default by the company.

ANNUAL REPORT AND STATEMENT OF ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 2000

THE INFORMATION WHICH APPEARS ON THE FOLLOWING PAGES HAS BEEN  
PREPARED AT THE REQUEST OF THE COMPANY'S MANAGEMENT AND FOR  
MANAGEMENT PURPOSES ONLY AND DOES NOT FORM PART OF THE  
STATUTORY ACCOUNTS AND IS SUBMITTED TO THE INLAND REVENUE  
AND TO OTHER THIRD PARTIES AS INSTRUCTED BY THE DIRECTORS.