BSL EXPRESS SERVICE LIMITED

ANNUAL REPORT AND STATEMENT OF ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2004

DIRECTORS

M TREISTER
J M TREISTER

SECRETARY

J M TREISTER

REGISTERED OFFICE

62 NEW CAVENDISH STREET
LONDON W1G 8TA

ACCOUNTANTS

SINGER HOME DESAI
62 NEW CAVENDISH STREET
LONDON W1G 8TA



ND/JAJ/3279/11/04(2)

ANNUAL REPORT AND STATEMENT OF ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004

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DIRECTORS REPORT
FOR THE YEAR ENDED 31 MARCH 2004

The Directors have pleasure in submitting their Annual Report to the members together with the 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.

DIRECTORS

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

	Beneficial Holdings Shares of £1 Each	
	2004	2003
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.

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

..... 19/1/05

CHAIRMAN DATE

ACCOUNTANT'S REPORT
YEAR ENDED 31 MARCH 2004

In accordance with instructions given to us we have prepared the financial statements for the period ended 31 March 2004 set out on Pages 5 to 10 from information and explanations supplied to us by the management of the company.

We have not audited the financial statements. Accordingly, we do not express our audit opinion or any other form of assurance that the accounting records and the financial statements are free from material misstatement.

SINGER HOME DESAI

62 NEW CAVENDISH STREET

LONDON W1G 8TA

DATED: 19/1/05

BSL EXPRESS SERVICE LIMITED
BALANCE SHEET AS AT 31 MARCH 2004

FIXED ASSETS	NOTES		2004		2003
Tangible Assets	2		£ 11,947		£ 14,436
CURRENT ASSETS					
Stocks	3	£ 30,733		£ 20,496	
Debtors	4	48,584		50,460	
Bank Accounts		8,793		35,991	
		£ 88,110		£ 106,947	
CREDITORS					
Amounts falling due within One Year	5	£ 109,679		£ 117,950	
NET CURRENT (LIABILITIES)/ASSETS			(21,569)		(11,003)
NET (LIABILITIES)/ASSETS			£(9,622)		£ 3,433
CAPITAL AND RESERVES					
CALLED UP SHARE CAPITAL	6		£ 100		£ 100
PROFIT AND LOSS ACCOUNT			(9,722)		3,333
SHAREHOLDERS FUNDS			£(9,622)		£ 3,433

The Directors have taken advantage of the total exemption from audit conferred by Section 249A(1) of Companies Act 1985 and confirm that members have not required the company to obtain an audit of its accounts for the period in accordance with Section 249B(2).

The Directors acknowledge their responsibilities for ensuring that:

1. The company keeps accounting records which comply with Section 221 of the Companies Act 1985 and

2. The financial statements give a true and fair view of the state of affairs of the company as at 31 March 2004 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 Companies Act 1985 relating to the financial statements so far as applicable to the company.

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 June 2002).*

..... DIRECTOR ..... DIRECTOR

Approved by the Board on .....19/1/05.....~~2004~~.

The Notes on pages 7 to 10 form part of these Accounts.

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2004

	NOTES		2004		2003
TURNOVER	7		£ 335,802		£ 321,482
Cost of Sales			169,942		190,153
GROSS PROFIT			165,860		131,329
LESS:					
Administration Expenses		£ 135,847		£ 145,325	
Other Operating Expenses		116,416	252,263	121,429	266,754
(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST			(86,403)		(135,425)
Interest Receivable			243		389
Management Charges Received			60,000		-
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	8		(26,160)		(135,036)
TAXATION	9		-		226
(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION			(26,160)		(134,810)
EXTRAORDINARY ITEM	10		13,105		-
			(13,055)		(134,810)
DIVIDEND			-		-
RETAINED (LOSS) FOR THE FINANCIAL YEAR			(13,055)		(134,810)
PROFIT AND LOSS ACCOUNT BALANCE BROUGHT FORWARD			3,333		138,143
PROFIT AND LOSS ACCOUNT BALANCE CARRIED FORWARD			£(9,722)		£ 3,333

The Notes on pages 7 to 10 form part of these Accounts..

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004

NOTE: 1
ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

These Accounts have been prepared under the historical cost convention.

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

A full provision for deferred taxation in respect of all timing differences that have originated but not reversed, by the balance sheet date is made using the incremental liability approach.

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 2004 (CONTINUED)

NOTE: 2

TANGIBLE FIXED ASSETS		MOTOR VEHICLE	FURNITURE FIXTURES & FITTINGS	EQUIPMENT	TOTAL
COST					
Balance:	1 April 2003	£ 18,200	£ 9,278	£ 40,678	£ 68,516
Additions		-	-	-	-
Disposals		-	-	-	-
Balance:	31 March 2004	£ 18,200	£ 9,278	£ 40,678	£ 68,156
DEPRECIATION:					
Balance:	1 April 2003	£ 14,960	£ 8,182	£ 30,578	£ 53,720
Provided in the Year		810	164	1,515	2,489
Written off in respect of Disposals		-	-	-	-
Balance:	31 March 2004	£ 15,770	£ 8,346	£ 32,093	£ 56,209
NET BOOK VALUE:	31 March 2004	£ 2,430	£ 932	£ 8,585	£ 11,947
NET BOOK VALUE:	31 March 2003	£ 3,240	£ 1,096	£ 10,100	£ 14,436

NOTE: 3

STOCK	2004	2003
Finished Goods	£ 30,733	£ 20,496

NOTE: 4

DEBTORS	2004	2003
Trade Debtors	£ 48,358	£ 45,157
Sundry Debtors and Prepayments	226	5,303
	£ 48,584	£ 50,460

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004 (CONTINUED)

NOTE: 5

CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		2004	2003
Trade Creditors		£ 36,032	£ 33,536
Sundry Creditors and Accruals		37,713	45,328
Associated Company Account	(Note: 5.1)	30,181	33,407
Social Security and Other Taxes		5,753	5,679
		£ 109,679	£ 117,950

NOTE: 5.1

ASOCIATED COMPANY ACCOUNT	2004	2003
Amounts due to Associated Company	£ 30,181	£ 33,407

NOTE: 6

CALLED UP SHARE CAPITAL	2004	2003
Authorised		
1,000 Ordinary Shares of £1 Each	£ 1,000	£ 1,000
Issued and Fully Paid		
100 Ordinary Shares of £1 Each	£ 100	£ 100

NOTE: 7

TURNOVER

In the year to 31 March 2004, 36% of the company's turnover was derived from markets Outside the United Kingdom (2003- 38%).

NOTE: 8

PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION:

The Profit on Ordinary activities before taxation is stated after Charging:	2004	2003
Depreciation	£ 2,489	£ 3,055
Directors Emoluments	10,000	10,000
After Crediting		
Management charges received from Associated Company	£ 60,000	£ -

NOTES TO AND FORMING PART OF THE ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2004 (CONTINUED)

NOTE: 9

TAXATION

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

	2004	2003
Corporation Tax payable based on Adjusted Results for the Year.	£ -	£ -
Overprovision in respect of previous Year	-	(226)
	£ -	£(226)

NOTE: 10

EXTRAORDINARY ITEM	2004	2003
Bank Account Balance realised	£ 13,105	£ -

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 year the company received an amount of £ 13,105 in respect of this balance and the amount has been written back as an Extraordinary Item.

NOTE: 11

FINANCIAL COMMITMENTS

At 31 March 2004 the company had annual commitments under none cancellable Operating Leases as follows:

	Land and Building	
Expiry Date	2004	2003
Within 1 Year	£ -	£ -
Between 2 and 5 Years	67,746	67,746
	£ 67,746	£ 67,746

NOTE: 11

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 2004

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.