

Brainstar Limited

Directors: S.Z. Khan
G.S. Paice

Secretary: G.S. Paice

Registered Office: Profex House
25 School Lane
Bushey
Herts. WD23 1SS

Company Number: 1592921

**Financial Statements for the
Year Ended 31st March 2000**

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BRAINSTAR LIMITED

Report of the Directors

The directors present their report together with the financial statements of the company for the year ended 31st March 2000.

Principal activities

The company's main business is that of cleaning contractors together with decorating and plumbing.

Directors

The directors who served the company together with their interests in the company's shares were:

	<u>Ordinary Shares</u>	
	<u>31/3/00</u>	<u>31/3/99</u>
S.Z. Khan	66	66
G.S. Paice	33	33

Mr. Khan and Mr. G. Paice have an interest in one further share which they own in the ratio of 2/3 to 1/3 respectively.

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:

- a) Select suitable accounting policies and apply them consistently;
- b) Make judgements and estimates that are reasonable and prudent;
- c) 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.

BRAINSTAR LIMITED

Directors' Report (continued)

Year 2000

As discussed at length in the media, many computers and microchips only recognised dates using the last two digits of the year and therefore needed to be modified or replaced to record the year 2000. It would appear from the company's experience to date that the company and its existing suppliers and customers have adequately coped with any changes.

Auditors

The auditors, Leslie Woolfson & Co., have indicated their willingness to continue in office and in accordance with section 385 of the Companies Act a resolution concerning the re-appointment and remuneration of Leslie Woolfson & Co. as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

The accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the Board



G. S. Paice

Secretary

4th August 2000

BRAINSTAR LIMITED

Report of the Auditors

To the members of Brainstar Limited

We have audited the financial statements on pages 5 to 8 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, 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 judgements made by the directors in the preparation of the financial statements, and 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 explanation 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 March 2000 and of its results for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

Profex House
25 School Lane
Bushey
Herts. WD23 1SS


Leslie Woolfson & Co.
Chartered Accountants and
Registered Auditors

4th August 2000

BRAINSTAR LIMITED

Profit and Loss Account for the year ended 31st March 2000

	<u>Notes</u>	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
TURNOVER	2	401,590	308,746
Cost of sales		(324,117)	(242,422)
Gross Profit		77,473	66,324
Distribution and Administration	3	(71,595)	(66,269)
Operating profit		5,878	55
Interest received		386	885
Profit on ordinary activities before taxation		6,264	940
Taxation	4	(1,244)	(193)
Profit on ordinary activities after taxation		5,020	747
Dividends paid	5	(3,000)	-
Retained profit for the year		2,020	747

The notes on pages 7 - 8 form an integral part of these accounts.

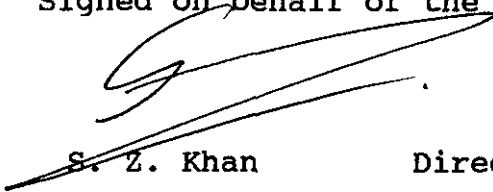
BRAINSTAR LIMITED

Balance Sheet as at 31st March 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
FIXED ASSETS			
Tangible Assets	7	1,187 -----	1,187 -----
CURRENT ASSETS			
Stock and Work in Progress	8	1,250	16,757
Debtors	9	21,477	20,534
Cash at bank and in hand		60,155 -----	19,230 -----
		82,882	56,521
CURRENT LIABILITIES			
Creditors: Amounts falling due within one year	10	(58,106) -----	(33,765) -----
NET CURRENT ASSETS		24,776 -----	22,756 -----
Net Assets		----- 25,963 =====	----- 23,943 =====
CAPITAL and RESERVES			
Called - Up Share Capital	11	100	100
Profit and Loss Account	12	25,863 ----- 25,963 =====	23,843 ----- 23,943 =====

These accounts have been prepared in accordance with the special provisions relating to small companies within Part V11 of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

Signed on behalf of the Board


S. Z. Khan

Director

4th August 2000

BRAINSTAR LIMITED

Notes forming part of the financial statements for the year ended 31st March 2000.

1.ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000)

Turnover

Turnover represents sales to outside customers at invoiced amount less Vat.

Depreciation

Depreciation has not been provided on the company's fixtures and fittings during the year under review.

Stocks

These are valued at the lower of cost and net realisable value.

2. **TURNOVER** is the amount derived from the provision of services by the company, and is mainly in respect of cleaning services but is also derived from decorating and plumbing.

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
3. DISTRIBUTION and ADMINISTRATION costs		
Distribution	4,805	7,109
Administration	66,790	59,160
	-----	-----
	71,595	66,269
	-----	-----

4. TAXATION

The taxation charge for the year has been calculated at 20%

5. DIVIDEND

Dividend paid on Ordinary shares
at £30 per ordinary share

3,000	-
-----	-----

6. OPERATING PROFIT

This is arrived at after charging:

Auditors Remuneration	1,000	1,000
Directors remuneration	37,020	39,820
	=====	=====

BRAINSTAR LIMITED

Notes forming part of the financial statements for the year ended 31st March 2000. (continued)

7. TANGIBLE ASSETS	<u>Fixtures</u>	<u>Total</u>
	<u>£</u>	<u>£</u>
Cost as at 1st April 1999	1,187	1,187
Additions	-	-
	-----	-----
Cost as at 31st March 2000	1,187	1,187
	-----	-----

8. STOCK is composed of cleaning materials and is valued at cost.

	<u>2000</u>	<u>1999</u>
	<u>£</u>	<u>£</u>
Stock	1,250	1,375
Work in Progress	-	15,382
	-----	-----
	1,250	16,757
	-----	-----

9. DEBTORS

Trade	21,477	20,534
	-----	-----
	21,477	20,534
	-----	-----

10. CREDITORS

Amounts due within one year:

Trade	39,767	18,042
Other	4,100	6,115
Taxation and social security	12,995	9,415
Corporation tax	1,244	193
	-----	-----
	58,106	33,765
	-----	-----

11. CALLED UP SHARE CAPITAL

Authorised:

100 Ordinary Shares of £1 each	100	100
	-----	-----

Allotted, called-up and fully paid:

100 Ordinary shares of £1 each	100	100
	-----	-----

12. PROFIT and LOSS ACCOUNT

Balance as at 1st April 1999	23,843	23,096
Retained profit	2,020	747
	-----	-----
Balance as at 31st March 2000	25,863	23,843
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