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 2003

Contents

	Page
Directors Report	2 - 3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6 - 8

A34 *AB2FGMRS* COMPANIES HOUSE 0269 19/07/03

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 2003.

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

During the course of the year the company purchased the plant and goodwill of P & J Cleaning for the sum of £90,000. The directors hope that this purchase will bear fruit in the coming years with increased profits.

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

	Ordinary Shares	
	31/3/03	1/4/02
S.Z. Khan	100	66
G.S. Paice	-	33

At 1st April 2002 Mr. Khan and Mr. Paice had 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.

The accounts are prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

By order of the Board



G. S. Paice

Secretary

17th June 2003

BRAINSTAR LIMITED

Profit and Loss Account for the year ended 31st March 2003

	Notes	2003 £	2002 £
TURNOVER	2	259,586	283,706
Cost of sales		(200,323)	(219,195)
Gross Profit		59,263	64,511
Distribution and Administration	3	(59,079)	(63,905)
Operating Profit		184	606
Interest receivable		-	96
Profit on ordinary activities before taxation		184	702
Taxation	4	-	(86)
Profit on ordinary activities after taxation		184	616
Retained Profit for the year		184	616

BRAINSTAR LIMITED
Balance Sheet as at 31st March 2003

	Notes	2003 £	2002 £
FIXED ASSETS			
Intangible Assets	6	82,167	-
Tangible Assets	7	5,716	1,000
		87,883	1,000
CURRENT ASSETS			
Stock and Work in Progress	8	2,000	1,000
Debtors	9	40,505	21,351
Cash at bank and in hand		24,671	23,473
		67,176	45,824
Creditors: Amounts falling due within one year	10	(123,903)	(15,852)
NET CURRENT ASSETS		(56,727)	29,972
Net Assets		31,156	30,972
CAPITAL and RESERVES			
Called - Up Share Capital	11	100	100
Profit and Loss Account	12	31,056	30,872
		31,156	30,972

In preparing these unaudited financial statements advantage has been taken of the exemption under section 249A(1) of the Companies Act 1985. No notice requiring an audit has been deposited by members under section 249B(2).

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 and which comply with the provisions of the Companies Act 1985. 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. 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.

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 (effective June 2002).

Signed on behalf of the Board

S. Z. Khan Director

17th June 2003

BRAINSTAR LIMITED

Notes forming part of the financial statements for the year ended 31st March 2003.

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 June 2002)

Turnover

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

Depreciation

Depreciation has been provided on the company's fixed assets as follows:

Fixtures	10%	per annum
Goodwill	10%	per annum

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.

	2003 £	2002 £
3. DISTRIBUTION and ADMINISTRATION costs		
Distribution	19,422	17,100
Administration	39,657	46,805
	59,079	63,905
4. TAXATION		
The taxation charge for the year has been calculated at 10% (2002).	-	86
5. OPERATING PROFIT		
This is arrived at after charging:		
Amortization intangible	2,833	-
Depreciation tangible	284	187
Directors' remuneration	30,620	37,800

Notes forming part of the financial statements for the year ended 31st March 2003. (continued)

6. INTANGIBLE ASSETS	Goodwill	Total
	£	£
Additions at cost	85,000	85,000
Amortization	2,833	2,833
Net Book Value 31st March 2003	82,167	82,167

7. TANGIBLE ASSETS	Fixtures	Total
Cost:	£	£
As at 1st April 2002	1,187	1,187
Additions	5,000	5,000
As at 31st March 2003	6,187	6,187
Depreciation:		
As at 1st April 2002	187	187
Charge for the year	284	284
As at 31st March 2003	471	471
Net book value at 31st March 2003	5,716	5,716
Net book value at 1st April 2002	1,000	1,000

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

	2003	2002
	£	£
Stock	2,000	1,000

9. DEBTORS		
Trade	39,405	21,351
Other	1,100	-
	40,505	21,351

Notes forming part of the financial statements for the year ended 31st March 2003. (continued)

10. CREDITORS

Amounts due within one year:		
Trade	7,706	4,056
Other	98,499	1,020
Taxation and social security	17,698	10,690
Corporation tax	-	86
	123,903	15,852

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 2002	30,872	30,256
Retained Profit	184	616
Balance as at 31st March 2003	31,056	30,872

13. RELATED PARTY TRANSACTIONS

As at 31st March 2003 the sum of £97,400 was owed to Mr. S Khan a director of the company.

14. CONTROLLING PARTY

Mr. Khan, a director, controls the company as a result of controlling directly 100% of the issued Ordinary share capital.