

VELVETWARD LIMITED

FINANCIAL STATEMENTS FOR THE

YEAR ENDED 31ST MARCH 2000

COMPANY NUMBER 01609321

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VELVETWARD LIMITED

REPORT OF THE DIRECTORS

The director presents his report together with the Audited Financial statements for the year ended 31st March 2000

PRINCIPAL ACTIVITY

The principal activity of the Company for the year was that of Motorway Maintenance.

RESULTS

The results for the year are disclosed on page 4.

DIVIDEND

The Director does not recommend the payment of a further dividend.

FIXED ASSETS

Changes for the year are summarized in the Notes to the Accounts.

DIRECTORS

The directors during the year and beneficial interest in the Companies shares was as follows:

	31.3.2000 <u>Ordinary Shares</u> <u>Of a £1 Each</u>	31.3.99 <u>Ordinary Shares</u> <u>Of a £1 Each</u>
P. J. Howes	1	1
J. D. Howes	1	1

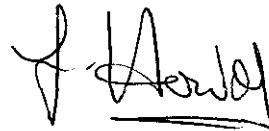
AUDITORS

In accordance with Section 385, Companies Act 1985, a resolution proposing the re-appointment of JOHN C. WRIGHT & CO. as Auditors of the Company will be put to the Annual Meeting.

Approved by the Board of Directors
and signed on their behalf

REGISTERED OFFICE:

11 Vicarage Road
Hornchurch
Essex RM12 4AS



MRS J. HOWES
SECRETARY

VELVETWARD LIMITED

STATEMENT OF DIRECTORS RESPONSIBILITIES

Company law requires the director 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 Director is 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 Director is responsible for keeping proper records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

VELVETWARD LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF

Respective responsibilities of Directors and Auditors.

As described on page 2 the Companies Director is 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 Director in the preparation of the financial statements, and whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

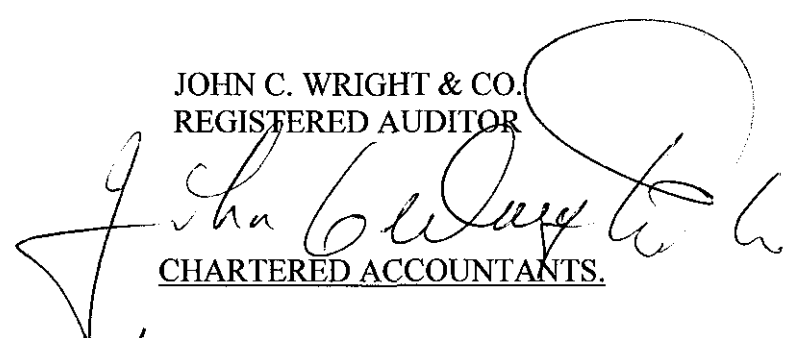
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In 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 31st March 2000. And of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

24 PARK DRIVE
ROMFORD
ESSEX RM1 4LH

JOHN C. WRIGHT & CO.
REGISTERED AUDITOR


CHARTERED ACCOUNTANTS.

DATED... 20th December 2000

VELVETWARD LIMITED
PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED
31ST MARCH 2000

	<u>2000</u>	<u>1999</u>
<u>TURNOVER</u> – NOTE 6	67,614	154,361
<u>OPERATING EXPENSES</u>		
Materials	14,874	59,062
Motor Expenses	16,199	22,548
Rent Rates and Heating	101	3,015
Salaries and NI	18,629	20,448
Small Tools	440	465
Traveling and Subsistence	1150	3,290
Insurance	7,517	10,258
General Expenses	94	70
Depreciation – motor vehicles	1,093	1,461
- Equipment	173	242
Profit on Disposal – Motor Vehicle	—	(4,000)
	<u>60,270</u>	<u>116,859</u>
	7,344	37,502
<u>MANAGEMENT, ADMINISTRATION AND FINANCE</u>		
Directors Remuneration	16055	22,100
Directors NHI Contributions	1335	1,897
Pension	786	1,233
Printing stationary and postage	260	981
Telephone	2090	2,905
Advertising	374	495
Bank Charges and Interest	1029	1,115
 Audit and Accountancy	 1,250	 1,500
Legal Expenses	3,129	1,000
General Expenses	800	204
Training Course	-	450
Depreciation – Office Equipment	570	423
	<u>27,678</u>	<u>34,303</u>
<u>NET (Loss) PROFIT – ON OPERATIONS</u>	(20,334)	3,199
Dividend Paid	(30,000)	-
<u>BALANCE BROUGHT FORWARD</u>	<u>100,583</u>	<u>97,384</u>
<u>BALANCE CARRIED FORWARD</u>	<u>50,249</u>	<u>100,583</u>

VELVETWARD LIMITED
BALANCE SHEET AT 31ST MARCH 2000

<u>FIXED ASSETS</u>	<u>2000</u>	<u>1999</u>
Tangible Assets -- Note 2	<u>5,348</u>	<u>6,174</u>
<u>CURRENT ASSETS</u>		
Stocks	3,250	2,250
Debtors -- note 3	90,088	113,588
Balance at Bank	-	<u>12,943</u>
	<u>93,338</u>	128,781
<u>CREDITORS</u>		
Amounts Falling Due Within		
One Year -- Note 4	<u>48,435</u>	<u>34,370</u>
<u>NET CURRENT ASSETS</u>	<u>44,903</u>	<u>94,411</u>
<u>TOTAL ASSETS</u>	<u>50,251</u>	<u>100,585</u>
<u>CAPITAL AND RESERVES</u>		
Called up Share capital -- note 5	2	2
Profit and Loss Account	<u>50,249</u>	<u>100,583</u>
	<u>50,251</u>	<u>100,585</u>

Approved By The Board of Directors and
Signed on its behalf.

P.J. Howes.....

APPROVED & CORRECTED
2000

P.J. Howes
(Director)

VELVETWARD LIMITED
NOTE TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2000

1. ACCOUNTING POLICES

- A) The accounts of the company have been prepared in accordance with the Historical Cost Convention.
 B) Stocks have been valued at the lower of the cost and net realisable value
 C)
 D) Depreciation of the Tangible Fixed Assets is provided at the following percentage:-

OFFICE EQUIPMENT	25%	(on reducing balance)
TOOLS AND EQUIPMENT	33.3%	(on reducing balance)
MOTOR VEHICLE	25%	(on reducing balance)

2. TANGIBLE ASSETS	TOOLS & EQUIP.	OFFICE EQUIP.	MOTOR VEHICLES	TOTAL
Cost or Valuation at 1.4.99	19,147	16,839	25,487	61,473
Additions	-	1,010	-	1,010
Cost or valuation at 31-3-00	<u>19,147</u>	<u>17,849</u>	<u>25,487</u>	<u>62,483</u>
Depreciation				
Balance at 1.4.99	18,637	15,572	21,090	55,299
For Year	173	570	1,093	1,836
Balance at 31.3.00	<u>18,810</u>	<u>16,142</u>	<u>22,183</u>	<u>57,135</u>
Net Book value at 31.3.00	<u>337</u>	<u>1,707</u>	<u>3,304</u>	<u>5,348</u>

3. DEBTORS

	2000	1999
Trade Debtors	84,000	105,000
Other Debtors & Payments	<u>6,088</u>	<u>8,588</u>
	<u>90,088</u>	<u>113,588</u>

4. CREDITORS

Amounts Falling Due Within One Year.

Bank Overdraft	3,495	-
Expense Accruals	30,188	34,297
Directors Current Accounts	<u>14,752</u>	<u>73</u>
	<u>48,435</u>	<u>34,370</u>

5. SHARE CAPITAL

AUTHOURISED at 31.3.99 and 31.3.00

100 Ordinary Shares at £1 each	<u>100</u>	<u>100</u>
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CALLED UP AND FULLY PAID

2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
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VELVETWARD LIMITED
NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH 2000

	2000 -----	1999 -----
6. <u>TURNOVER</u>		
For year – Services	67,614	154,361