

BRAHMA KUMARIS INFORMATION SERVICES

(Formerly known as Brahma Kumaris Information Centre)

ANNUAL REPORT

YEAR-END 31 DECEMBER 1997

(COMPANY No. 3009586)



**BRAHMA KUMARIS
INFORMATION SERVICES**

(COMPANY No. 3009586)

Financial Statements

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DIRECTORS REPORT

Directors: Satish Mohan Lal
Ratan Thadani
Neville John Hodgkinson
Girish Wadhwani

Secretary: Parul Shah

Registered Office: 65 Pound Lane
London
NW10 2HH

Company Number: 3009586

The directors present their first report with the financial statements of the company for the year ended 31 December 1997.

Principal Activities and Review of the Business

The principal activity of the company during the year was that of selling literature which would promote basic spiritual, educational and moral values.

During the third year of the company's activities the turnover has again increased as shown on page 4. The directors consider the results of the year to be satisfactory and anticipate further improvement in subsequent periods.

Directors and their interests

The directors of the company during the year and as at 31 December 1997 are as listed above.

Results

The results for the period are set out on page 4 to the financial statements.

DIRECTORS REPORT (cont'd)

Fixed assets

The changes in fixed assets during the period are summarised in the Note 5 to the financial statements.

Share Capital

The company is limited by guarantee. Hence no share capital is in issue.

Directors Responsibilities for the Financial Statements

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 surplus or deficit of the company for that period. 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

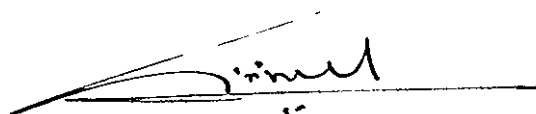
Auditors

The directors unanimously have decided that having regard to the company's main activities, it would be relevant for the accounts to be audited. In view of this, Messrs. Jay & Company Chartered Accountants have been appointed as auditors. They have expressed their willingness to act and to continue in office as auditors. A resolution proposing their reappointment will be submitted at the Annual General Meeting.

Small Company Exemption

In preparing the directors report the directors have taken advantage of the special exemption applicable to small companies on the grounds that the company is small.

By order of the Board



Director: Mr Girish Wadhwani

27.10.98.

Date

**AUDITORS REPORT TO THE MEMBERS OF
BRAHMA KUMARIS INFORMATION SERVICES**

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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.

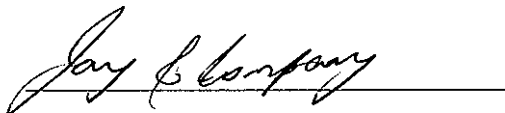
Basis of Opinion

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 of 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 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 December 1997 and of its deficit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Jay & Company
Chartered Accountants
P.O. Box 2134
London
W13 0TS

20 October 1998

Date

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 1997**

	<u>Notes</u>	<u>1997</u> £	<u>1997</u> £	<u>1996</u> £	<u>1996</u> £
Turnover	2		168,231		140,135
Cost of Sales			<u>83,542</u>		<u>56,656</u>
Gross Surplus			84,689		83,479
Distribution costs		1,202		1,563	
Administration expenses		<u>83,837</u>	<u>85,039</u>	<u>100,600</u>	<u>102,163</u>
Operating Deficit			350		(18,684)
Other interest receivable	4	5,837		3,342	
Other Income-general donation		<u>20,518</u>	<u>26,355</u>	<u>5,869</u>	<u>9,211</u>
Surplus/Deficit on ordinary activities before taxation			26,005		(9,473)
Tax on loss on ordinary activities			-		-
Retained Surplus/(Deficit) for the financial period			<u>26,005</u>		<u>(9,473)</u>

Notes

- 1) All activities relate to continuing activities.
- 2) There were no recognised gains or deficits other than those included in the income and expenditure account.
- 3) The notes on pages 6 to 8 form part of these financial statements.

BALANCE SHEET AT 31 DECEMBER 1997

	<u>Notes</u>	<u>1997</u> £	<u>1997</u> £	<u>1996</u> £	<u>1996</u> £
Tangible fixed assets	5		141,841		62,860
Current Assets					
Stocks		63,927		76,083	
Debtors	6	37,397		70,628	
Cash at bank and in hand		98,123		74,401	
		<u>199,447</u>		<u>221,112</u>	
Creditors: Amounts falling due within one year	7	<u>78,764</u>		<u>105,723</u>	
Net Current Assets			120,683		115,389
Total Assets less Current Liabilities			<u>262,524</u>		<u>178,249</u>
Creditors: Amounts falling due after more than one year					
Other loan	8		266,913		208,643
Capital and Reserves					
Share Capital	11		-		-
Income and Expenditure account	9		(4,389)		(30,394)
General fund	10		<u>262,524</u>		<u>178,249</u>

Approved by Board on



Director: Mr R. Thadani

27/10/98

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 1997**

1. Accounting Policies

Basis of Preparation of accounts

The financial statements are prepared under the historical cost convention and are in accordance with applicable Accounting Standards.

Turnover

Turnover is invoiced sales less returns exclusive of value added tax.

Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset over its expected useful life as follows:

- Leasehold property - 6 years
- Furniture and fixtures - 10 years
- Computer - 3 years
- Sound equipment - 10 years

The company's policy is to write off the book value of each tangible asset over its estimated remaining life. Reviews are made periodically of the estimated remaining useful lives of individual productive assets, taking into account normal wear and tear.

Provision is made for all permanent diminutions in the value of building improvements.

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred Taxation

Deferred taxation is provided on the liability method on all timing differences where a liability is likely to arise in the future.

General Donation

General donation is accounted for on a receipt basis.

Financial Reporting Standard (FRS) No. 1

No cash flow statement is prepared as the company being small qualifies for exemption under FRS1.

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

2. Turnover

The turnover and pre-tax profit are attributed to the principal activity of the company carried out wholly in the United Kingdom.

3. Operating Deficit

1997

1996

This is stated after charging:

Depreciation on owned assets

16,829

9,533

Property rental

28,847

69,078

4. Other Interest receivable

Bank interest received

5,837

3,342

5. Tangible Fixed Assets

	Leasehold Property	Fixtures & Fittings	Computers	Sound Equipment	Total
Cost:	£	£	£	£	£
Balance brought forward	1,720	33,727	4,552	32,003	72,002
Additions	26,732	8,089	25,676	35,313	95,810
Balance carried forward	<u>28,452</u>	<u>41,816</u>	<u>30,228</u>	<u>67,316</u>	<u>167,812</u>
Accumulated depreciation:					
Balance brought forward	755	5,396	2,418	573	9,142
Charge for the year	3,558	3,815	4,656	4,800	16,829
Balance carried forward	<u>4,313</u>	<u>9,211</u>	<u>7,074</u>	<u>5,373</u>	<u>25,971</u>
Net book value:					
At 31 December 1997	<u>24,139</u>	<u>32,605</u>	<u>23,154</u>	<u>61,943</u>	<u>141,841</u>
At 31 December 1996	<u>965</u>	<u>28,331</u>	<u>2,134</u>	<u>31,430</u>	<u>62,860</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

6. Debtors	1997	1996
	£	£
Trade debtors	23,754	14,748
Other debtors	13,643	55,880
	<u>37,397</u>	<u>70,628</u>
7. Creditors: amounts falling due within one year		
Trade creditors	73,915	93,319
Other creditors	4,849	12,404
	<u>78,764</u>	<u>105,723</u>
8. Creditors: amounts falling due after more than one year		
All the other loans are payable after more than five years.		
9. Income and Expenditure Account		
Brought forward	(30,394)	(20,921)
Surplus/(Deficit) for the year	26,005	(9,473)
Carried forward	<u>(4,389)</u>	<u>(30,394)</u>
10. Reconciliation of movements in Funds		
General fund brought forward	178,249	78,918
Additions - long term loan	58,270	108,804
Surplus/(Deficit) for the period	26,005	(9,473)
General fund carried forward	<u>262,524</u>	<u>178,249</u>
11. Share Capital		

The company is limited by guarantee and therefore no share capital is in issue.