

**BRAHMA
KUMARIS
INFORMATION
SERVICES**



ANNUAL REPORT

YEAR-END 31 DECEMBER 2000

(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 report with the financial statements of the company for the year ended 31 December 2000.

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.

The directors consider the results of the year to be in deficit but anticipate further improvement in subsequent years.

Directors and their interests

The directors of the company during the year and as at 31 December 2000 are as listed above. They had no beneficial interest in the shares of the company.

Results

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

DIRECTORS REPORT (cont'd)**Fixed assets**

The changes in fixed assets during the year are summarised in the Note 6 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 year. 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;
- follow applicable accounting standards without any material departures; and
- 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.

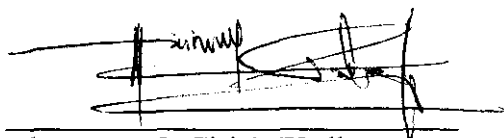
Auditors

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 re-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

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, was approved by the board on 23-10-01 and signed on its behalf.

By order of the Board



Director: Mr Girish Wadhvani

**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.

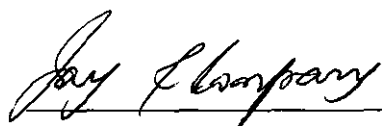
Basis of Opinion

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 2000 and of its result for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Jay & Company

Chartered Accountants and Registered Auditors
15 Alexandria Road
P.O. Box 2134
Ealing
London
W13 0NP



Date

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000**

	<u>Notes</u>	<u>2000</u> £	<u>2000</u> £	<u>1999</u> £	<u>1999</u> £
Turnover	2		243,859		199,345
Cost of Sales			<u>133,331</u>		<u>88,655</u>
Gross Surplus			110,528		110,690
Distribution costs		12,906		838	
Administration expenses		<u>104,164</u>	<u>117,070</u>	<u>112,110</u>	<u>112,948</u>
Operating Deficit			(6,542)		(2,258)
Other interest receivable	4		<u>6,455</u>		<u>5,302</u>
(Deficit)/Surplus on ordinary activities before taxation	3		(87)		3,044
Taxation	5		(1,706)		-
Retained (Deficit)/Surplus for the financial period			<u>(1,793)</u>		<u>3,044</u>
Retained Surplus brought forward			6,596		3,552
Retained Surplus carried forward			<u>4,803</u>		<u>6,596</u>

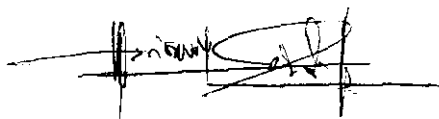
Notes

- 1) The results 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 2000

	<u>Notes</u>	<u>2000</u> £	<u>2000</u> £	<u>1999</u> £	<u>1999</u> £
Tangible fixed assets	6		98,298		115,047
Current Assets					
Stocks		14,063		31,353	
Debtors	7	31,759		15,517	
Cash at bank and in hand		163,104		134,681	
		<u>208,926</u>		<u>181,551</u>	
Creditors: Amounts falling due within one year	8	<u>30,008</u>		<u>17,589</u>	
Net Current Assets			178,918		163,962
Total Assets less Current Liabilities			<u>277,216</u>		<u>279,009</u>
Creditors: Amounts falling due after more than one year					
Other loan	9		272,413		272,413
Capital and Reserves					
Share Capital	11		-		-
Income and Expenditure account			4,803		6,596
General fund	10		<u>277,216</u>		<u>279,009</u>

The financial statements, which have been prepared with the special provisions of Part VII of the Companies Act 1985 relating to small companies, were approved by the board on 23-10-01 and signed on its behalf.



Director: Mr Girish Wadhwani

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2000**

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 - over the period of the lease
- Fixtures and fittings - 10 years
- Computers - 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 significant timing differences where a liability is likely to arise in the future.

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 Profit

	2000 £	1999 £
This is stated after charging:		
Depreciation on owned assets	24,960	32,522
Property rental	<u>38,000</u>	<u>37,988</u>

4. Other Interest receivable

Bank interest received	<u>6,455</u>	<u>5,302</u>
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5. Taxation

Taxation charge @ 10% for the year	646	-
Underprovision in previous year	<u>1,060</u>	-
	<u>1,706</u>	-

6. Tangible Fixed Assets

	Leasehold Property	Fixtures & Fittings	Computers	Sound Equipment	Total
Cost:	£	£	£	£	£
Balance brought forward	28,452	65,191	37,720	65,505	196,868
Additions	-	1,617	4,909	1,685	8,211
Balance carried forward	<u>28,452</u>	<u>66,808</u>	<u>42,629</u>	<u>67,190</u>	<u>205,079</u>
Accumulated depreciation:					
Balance brought forward	12,704	19,017	29,891	20,209	81,821
Charge for the year	4,064	6,586	7,643	6,667	24,960
Balance carried forward	<u>16,768</u>	<u>25,603</u>	<u>37,534</u>	<u>26,876</u>	<u>106,781</u>
Net book value:					
At 31 December 2000	<u>11,684</u>	<u>41,205</u>	<u>5,095</u>	<u>40,314</u>	<u>98,298</u>
At 31 December 1999	<u>15,748</u>	<u>46,174</u>	<u>7,829</u>	<u>45,296</u>	<u>115,047</u>

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Debtors	2000	1999
	£	£
Trade debtors	22,444	6,650
Other debtors	9,315	8,867
	<u>31,759</u>	<u>15,517</u>
8. Creditors: amounts falling due within one year		
Trade creditors	18,687	7,166
Other creditors	11,321	10,423
	<u>30,008</u>	<u>17,589</u>
9. Creditors: amounts falling due after more than one year		
All the other loans are payable after more than five years.		
10. Reconciliation of movements in Funds		
General fund brought forward	279,009	275,965
(Deficit)/Surplus for the year	(1,793)	3,044
General fund carried forward	<u>277,216</u>	<u>279,009</u>

11. Share Capital

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