BRAHMA KUMARIS INFORMATION SERVICES

ANNUAL REPORT

YEAR-ENDED 31 DECEMBER 2005

(COMPANY NO. 3009586)

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BRAHMA KUMARIS
INFORMATION SERVICES

(COMPANY NO. 3009586)

Financial Statements

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DIRECTORS REPORT

Directors:	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 2005.

Donations

During the year the company made the following contributions:

	2005 £	2004 £
Charitable	2,500	2,192

Principal Activities

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

Directors and their interests

The directors of the company during the year, and as at 31 December 2005, 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 5 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; 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.

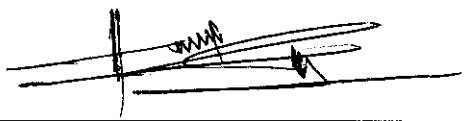
Auditors

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 & Co London Ltd 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
and signed on its behalf.

By order of the Board



: 7 October 2006

Director: Mr Girish Wadhwani

AUDITORS REPORT TO THE MEMBERS OF BRAHMA KUMARIS INFORMATION SERVICES

We have audited the financial statements on page 5 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective January 2005), under the historical cost convention and the accounting policies set out on page 7.

This report is made solely for the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the Company's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's shareholders as a body, for our audit work, for this report or for the opinion we have formed.

Respective Responsibilities of the Directors and the Auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with United Kingdom 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 judgments 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.

continued on page 4

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 2005 and of the deficit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Jay & Co London Ltd — 11 October 2006

Jay & Co London Ltd — ***Date***

Chartered Accountants and Registered Auditors
15 Alexandria Road
Ealing
London W13 0NP

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2005 £	2004 £	2004 £
Turnover	2		251,493		305,217
Cost of Sales			87,995		120,838
Gross Surplus			163,498		184,379
Distribution costs		-		1,214	
Administration expenses		179,849	179,849	196,510	197,724
Operating Deficit			(16,351)		(13,345)
Other interest receivable	4		6,092		4,069
(Deficit) on ordinary activities before taxation	3		(10,259)		(9,276)
Taxation	5		-		-
Retained (Deficit) for the year			(10,259)		(9,276)
Retained (Deficit) brought forward			(28,973)		(19,697)
Retained (Deficit) carried forward			(39,232)		(28,973)

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 7 to 9 form part of these financial statements.

BALANCE SHEET AT 31 DECEMBER 2005

	Notes	2005 £	2005 £	2004 £	2004 £
Tangible fixed assets	6		60,799		75,930
Current Assets					
Stocks	1	21,816		31,349	
Debtors	7	11,397		23,869	
Cash at bank and in hand		182,539		174,259	
		215,752		229,477	
Creditors: Amounts falling due within one year	8	5,370		23,967	
Net Current Assets			210,382		205,510
Total Assets less Current Liabilities			271,181		281,440
Creditors: Amounts falling due after more than one year					
Other loan	9		310,413		310,413
Net (Liabilities)			(39,232)		(28,973)
Capital and Reserves					
Share Capital	11		-		-
Income and Expenditure account			(39,232)		(28,973)
General deficit	10		(39,232)		(28,973)

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 and signed on its behalf.



27 October 2006

Director: Mr Girish Wadhwani

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2005

1. Accounting Policies

Basis of Preparation of accounts

The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (January 2005) 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.

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.

Going Concern

The accounts have been prepared under going concern basis. In view of the deficit on the balance sheet the director has assured financial assistance and therefore the company is seen to be in operational existence for the future.

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. Operation Profit	2005 £	2004 £
This is stated after charging:		
Depreciation on owned assets	20,927	77,065
Property rental	87,134	49,750

4. Other Interest receivable

Bank interest received	6,092	4,069

5. Taxation

Taxation charge @ nil% for the year	-	-

6. Tangible Fixed Assets

	Leasehold Property	Fixtures & Fittings	Computers	Sound Equipment	Total
Cost:	£	£	£	£	£
Balance brought forward	28,452	125,696	189,339	67,395	410,882
Additions	-	1,275	4,521	-	5,796
Disposals	-	-	-	-	-
Balance carried forward	28,452	126,971	193,860	67,395	416,678
Accumulated depreciation:					
Balance brought forward	28,451	63,332	189,335	53,834	334,952
Charge for the year	-	12,697	1,491	6,739	20,927
Disposals	-	-	-	-	-
Balance carried forward	28,451	76,029	190,826	60,573	355,879
Net book value:					
At 31 December 2005	1	50,942	3,034	6,822	60,799
At 31 December 2004	1	62,364	4	13,561	75,930

NOTES TO THE FINANCIAL STATEMENTS (Cont'd)

7. Debtors	2005 £	2004 £
Trade debtors	9,130	19,569
Other debtors	2,267	4,300
	11,397	23,869

8. Creditors: amounts falling due within one year		
Trade creditors	5,199	18,389
Other creditors	171	5,578
	5,370	23,967

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

(Deficit) brought forward	(28,973)	(19,697)
(Deficit) for the year	(10,259)	(9,276)
(Deficit) carried forward	(39,232)	(28,973)

11. Share Capital

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

TRADING ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2005

	Notes	2005 £	2005 £	2004 £	2004 £
Sales			251,493		305,217
Cost of Sales			87,995		120,838
Gross surplus			163,498		184,379
Overheads					
Distribution costs	1	-		1,214	
Administration expenses	2	179,849		196,510	
			179,849		197,724
(Deficit) on ordinary activities before interest			(16,351)		(13,345)
Interest	3		6,092		4,069
(Deficit) on ordinary activities before Taxation			(10,259)		(9,276)

	2005 £	2005 £	2004 £	2004 £
1. Distribution cost				
Advertising and PR		-		1,214
2. Overheads				
Rent	87,134		49,750	
General rates	12,330		10,902	
Management fees	20,350		22,800	
Electricity	4,420		4,472	
Telephone	3,046		2,765	
Printing, postage and stationery	4,117		9,335	
Insurance	1,387		2,179	
Travel and motor expense	881		2,432	
Legal and professional fees	54		-	
Repairs and maintenance	13,440		8,070	
Bank charges	3,739		3,716	
Depreciation	20,927		77,065	
Miscellaneous	275		718	
Bad debts	4,565		(1,238)	
Donations	2,500		2,192	
Computer consumables	684		1,352	
		179,849		196,510
3. Interest				
Bank interest received		6,092		4,069