LOTUS TRAINING LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2004



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LOTUS TRAINING LIMITED

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2004

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LOTUS TRAINING LIMITED

REPORT OF THE DIRECTOR

The director submits her report and the financial statements of the company for the year ended 31st October 2004.

PRINCIPAL ACTIVITY

The company's principal activity is that of the provision of management and administrative services.

RESULTS FOR YEAR

The results for the year are set out in the company's profit and loss account on page 3.

DIRECTOR

The director who served during the year and her interests (all beneficially held) in the share capital of the company was as follows:

	Ordinary Shares of £1 Each	
	31.10.04	31.10.03
Y Foster	2	2

DIRECTORS RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The director is required to prepare financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the results of the company for the year then ended. These requirements are specified in the Companies Act 1985 and in applicable accounting standards. It is also the directors' responsibility to:

- Maintain adequate accounting records.
- Safeguard these assets of the company;
- Prevent and detect fraud and other irregularities;
- Prepare financial statements on the going concern basis, unless it is inappropriate.

The director confirms that suitable accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates have been used in the preparation of the financial statements.

LOTUS TRAINING LIMITED

REPORT OF THE DIRECTOR (CONT'D)

TAXATION STATUS

As far as the director is aware the company is a close company as defined by the Income and Corporation Tax Act 1988.

SMALL COMPANIES EXEMPTIONS

Advantage is taken in the preparation of the Director's report of the special exemptions applicable to small companies confirmed in Part VII of the Companies Act 1985.

Approved By the Board of Directors
Signed on Behalf of the Board

N Wood
Secretary

Date 9/8/2005

LOTUS TRAINING LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST OCTOBER 2004

	Notes	2004 £	2003 £
TURNOVER	2	113,791	225,796
Cost of Sales		(14,952)	(74,965)
GROSS PROFIT		98,839	150,831
Administrative Expenses		(83,486)	(113,916)
OPERATING PROFIT	3	15,353	36,915
Interest Receivable	4	34	221
Interest Payable	5	-	(359)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		15,387	36,777
Taxation	6	(2,647)	(6,547)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		12,740	30,230
Dividends		(13,000)	(30,200)
(LOSS)/PROFIT FOR THE YEAR		(260)	30
Retained Profit Brought Forward		96	66
RETAINED (LOSS)/PROFIT CARRIED FORWARD		(164)	96

The notes on pages 6 to 9 form part of these Financial Statements.

LOTUS TRAINING LIMITED

BALANCE SHEET

AS AT 31ST OCTOBER 2004

	Notes	2004 £	2003 £
FIXED ASSETS	8	2,650	3,602
CURRENT ASSETS			
Debtors	9	100,749	72,498
Cash at Bank		30,577	72,148
		131,326	144,646
CREDITORS – Amounts Falling Due Within One Year	10	(132,874)	(146,676)
NET CURRENT LIABILITIES		(1,548)	(2,030)
TOTAL ASSETS LESS CURRENT LIABILITIES		1,102	1,572
PROVISIONS FOR LIABILITIES AND CHARGES	11	266	476
		836	1,096
CAPITAL AND RESERVES			
Called up Share Capital	12	1,000	1,000
Profit and Loss Account		(164)	96
Shareholders Funds		836	1,096

The notes on pages 6 to 9 form part of these Financial Statements.

LOTUS TRAINING LIMITED

BALANCE SHEET (CONT'D)

AS AT 31ST OCTOBER 2004

For the year ended on the balance sheet date, the company is entitled to exemption from audit Section 249A(1) of the Companies Act 1985. No notice has been deposited under section 249B(2) of the Act in relation to its accounts for the year.

The director acknowledges her responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Act, and preparing accounts which give a true and fair view of the state of affairs of the company as at the balance sheet date and of its loss for the year then ended and comply with the requirements of the Act relating to accounts, so far as applicable to small companies.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

Approved by the Director on 25th July 2005

..... - Director

The notes on pages 6 and 9 from part of these Financial Statements.

LOTUS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER 2004

1. ACCOUNTING POLICIES

The principal accounting policies adopted in arriving at the financial information set out in these Financial Statements are as follows:

a. **Accounting Convention**

The Financial Statements have been prepared under the historical cost convention, and in accordance with Financial Reporting Standards for Smaller Entities (Effective June 2002).

b. **Turnover**

Turnover represents the invoiced value of goods and services, net of discounts and excluding Value Added Tax.

c. **Deferred Taxation**

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and lows that have been enacted by the balance sheet date.

d. **Depreciation**

Depreciation is provided to write off the cost of tangible fixed assets by annual instalments over their estimated useful economic lives. It is calculated on a straight line basis on the original cost of the assets at the following rates:

Computer Equipment	25% Per Annum
Office Furniture	25% Per Annum

e. **Leased Assets**

Where assets are financed by leasing or hire purchase agreements, the assets are treated as if they had been purchased. Cost is capitalised as a tangible asset and the corresponding leasing commitment is included as a liability. Repayments payable are appointed between interest which is charged to the profit and loss accounts, and capital which reduced the outstanding commitment.

All other leased are treated as operating leases. Their annual rentals are charged to the profit and loss account on a payable basis.

f. **Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year. At 31st October 2003 there were no accrued or prepaid contributions.

LOTUS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31ST OCTOBER 2004

2. TURNOVER

The turnover and profit before taxation arise wholly from the principal activity of the company in the United Kingdom.

	2004 £	2003 £
3. OPERATING PROFIT		
Operating Profit is stated after Charging the following:		
Directors Remuneration	12,000	12,000
Operating Lease Cost – Rent	3,000	18,230
- Other	3,237	3,057
4. INTEREST RECEIVABLE		
Interest Receivable on Deposits	34	221
5. INTEREST PAYABLE		
H P Interest	-	359
6. TAXATION		
Charge for Current Year	2,857	6,263
Deferred Taxation (Note 7)	(210)	284
	2,647	6,547
7. DEFERRED TAXATION: The full Potential liability for deferred tax is as follows:		
Balance @ 01.11.03	476	192
Accelerated Capital Allowances	(210)	284
Balance @ 31.10.04	266	476

LOTUS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31ST OCTOBER 2004

8. FIXED ASSETS

	Office Furniture	Computer Equipment	Total
	£	£	£
COST			
As At 01.11.03	7,683	27,306	34,989
Additions	488	230	718
As At 31.10.04	8,171	27,536	35,707
DEPRECIATION			
As At 01.11.03	6,327	25,060	31,387
Charge in Year	594	1,076	1,670
As At 31.10.04	6,921	26,136	33,057
NET BOOK VALUE			
As At 31.10.04	1,250	1,400	2,650
As At 31.10.03	1,356	2,246	3,602

	2004	2003
	£	£
9. DEBTORS		
Trade Debtors	19,461	4,142
Prepayments	-	3,500
Other Debtors	81,288	64,856
	100,749	72,498
10. CREDITORS - Amounts Falling Due Within One Year		
Bank Overdraft	5,430	-
Trade Creditors	3,220	27,586
Other Creditors	120,695	115,561
Accruals	2,170	2,170
Loans	1,359	1,359
	132,874	146,676
11. PROVISIONS FOR LIABILITIES AND CHARGES		
Deferred Taxation	266	476

LOTUS TRAINING LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONT'D)

FOR THE YEAR ENDED 31ST OCTOBER 2004

		2004	2003
12.	CALLED UP SHARE CAPITAL	No	No
	Ordinary Shares of £1 each		
	Authorised	1,000	1,000
		£	£
	Allotted, Issued and Fully Paid	1,000	1,000

13. FINANCIAL COMMITMENT

The Company had no capital commitments at 31st October 2004 or 31st October 2003 nor did it have any annual commitments under non-cancellable operating leases at this date.

14. CONTINGENT LIABILITIES

The company had no contingent liabilities at either 31 October 2004 or 31st October 2003.