



DOMESTAR PLC

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2000

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HAMMONDS
CHARTERED ACCOUNTANTS
313 RAYNERS LANE
PINNER
MIDDLESEX
HA5 5EH

DOMESTAR PLC

COMPANY INFORMATION

DIRECTORS:

Mrs G. J. Golder
D. J. Golder Esq.

SECRETARY :

Mrs G J Golder

REGISTERED OFFICE:

313 Rayners Lane
Pinner
Middlesex HA5 5EH

COMPANY REGISTRATION NUMBER :

3528421 (England)

AUDITORS :

Hammonds
Chartered Accountants
313 Rayners Lane
Pinner
Middlesex
HA5 5EH

DOMESTAR PLC

DIRECTORS' REPORT

The directors present their report on the affairs of the company together with the financial statements for the year ended 31st December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company is that of importation and distribution of nursery products.

BUSINESS REVIEW

The company achieved a turnover of £332,586 for the year ended 31st December 2000 compared to £73,393 for the period ended 31st December 1999. The company made a gross profit for the year of £57,272.

The directors consider the company's financial position to be satisfactory.

RESULTS AND DIVIDENDS

The company made a profit for the year of £29,872. (1999: Loss £22,771). No dividend is proposed for the year.

FIXED ASSETS

Details relating to changes in tangible fixed assets are given in Note 8 to the financial statements.

DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their beneficial interests in the issued share capital was as follows: -

	Ordinary Shares of £1 each	
	31.12.2000	31.12.1999
	No	No
D. J. Golder Esq.	25,000	25,000
G. A. Goral Esq. (resigned 23/02/2000)	-	25,000
Mrs G. J. Golder (appointed 23/02/2000)	25,000	-

DOMESTAR PLC

DIRECTORS' REPORT (Continued)

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

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 profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

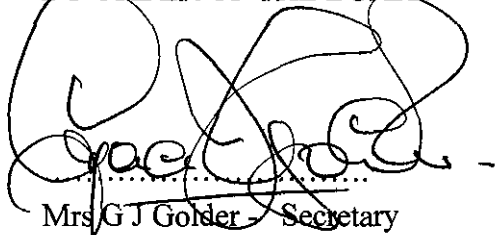
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Messrs Hammonds, will be proposed for reappointment in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Mrs G J Golder - Secretary

Date 21-2-01

AUDITORS' REPORT TO THE SHAREHOLDERS OF DOMESTAR PLC

We have audited the financial statements on pages 6 to 13, which have been prepared under the historical cost convention and the accounting policies set out on pages 9.

Respective responsibilities of directors and auditors

As described on page 4 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 Practise 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 profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

HAMMONDS
CHARTERED ACCOUNTANTS
313 Rayners Lane,
Pinner,
Middlesex
HA5 5EH.



CHARTERED ACCOUNTANTS
REGISTERED AUDITORS

Date 24/07/2001

DOMESTAR PLC

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
Turnover	2	332,586	73,393
Cost of sales		(275,314)	(74,905)
Gross Profit/(Loss)		<u>57,272</u>	<u>(1,512)</u>
Other operating expenses	3	(26,137)	(19,198)
Operating profit/(loss)	5	<u>31,135</u>	<u>(20,710)</u>
Interest receivable	6	5	3
Interest payable		(1,268)	(2,064)
Profit/(Loss) on ordinary activities before taxation		<u>29,872</u>	<u>(22,771)</u>
Taxation	7	(240)	-
Profit/(Loss) for the year		<u>29,632</u>	<u>(22,771)</u>
Retained Loss brought forward		(28,795)	(6,024)
Retained profit carried forward		<u><u>£837</u></u>	<u><u>£(28,795)</u></u>

There are no other recognised gains and losses and therefore a Statement of Total Recognised Gains and Losses is not prepared.

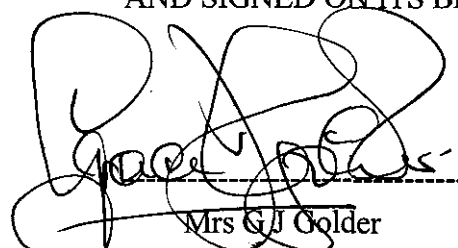
The accompanying notes are an integral part of these financial statements.

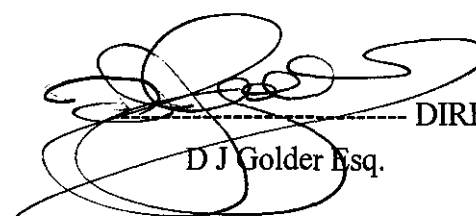
DOMESTAR PLC

BALANCE SHEET AS AT 31 DECEMBER 2000

	Note	£	2000 £	1999 £
FIXED ASSETS				
Tangible Assets	8		574	861
CURRENT ASSETS				
Stock	9	26,597	70,803	
Debtors: receivable within one year	10	177,499	50,028	
Cash at bank in hand		8,841	341	
		<u>212,937</u>	<u>121,172</u>	
Creditors: Amounts falling Due within one year	11	(162,674)	(100,828)	
Net Current Assets			<u>50,263</u>	<u>20,344</u>
Net Assets			<u><u>£50,837</u></u>	<u><u>£21,205</u></u>
CAPITAL AND RESERVES				
Share Capital	13		50,000	50,000
Profit and Loss Account			837	(28,795)
	15		<u><u>£50,837</u></u>	<u><u>£21,205</u></u>

APPROVED BY THE BOARD OF DIRECTORS ON 21/7/01
AND SIGNED ON ITS BEHALF BY:-


----- DIRECTOR
Mrs G J Golder


----- DIRECTOR
D J Golder Esq.

The accompanying notes are an integral part of these financial statements.

DOMESTAR PLC

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2000

	Note	2000 £	1999 £
Reconciliation of operating profit/(loss) to net cash inflow from operations			
Operating profit/(loss)		31,135	(20,710)
Depreciation charge		287	287
Decrease/(Increase) in stock		44,206	(25,659)
Increase in debtors		(127,471)	(4,598)
Increase in creditors		97,911	28,792
Net cash inflow from operations		<u>£46,068</u>	<u>£(21,888)</u>
CASH FLOW STATEMENT			
Net cash inflow from operations		46,068	(21,888)
Return on investment and servicing of finance	16	(1,263)	(2,061)
		<u>44,805</u>	<u>(23,949)</u>
Increase/(Decrease) in cash		<u>£44,805</u>	<u>£(23,949)</u>
Reconciliation of net cash flow to Movement in net debt			
Increase/(Decrease) in cash in the period		44,805	(23,949)
Change in net debt		<u>44,805</u>	<u>(23,949)</u>
Net debt at 01 December 2000		(35,964)	(12,015)
Net debt at 31 December 2000		<u>£8,841</u>	<u>£(35,964)</u>

DOMESTAR PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

1 ACCOUNTING POLICIES

a) Accounting convention

The financial statements are prepared under the historical cost convention.

b) Tangible fixed assets

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset, on a straight line basis over its expected useful life, as follows :-

Equipment, furniture & fittings	-	25% per annum
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c) Stock

Stock is stated at the lower of cost and net realisable value, after making due allowance for the obsolete, slow moving or defective items where applicable. Cost comprises purchase cost of goods and an addition for the duty and freight.

d) Foreign currency

Foreign currency transactions are translated into sterling at the rates ruling at the date of the transaction. Assets and liabilities are translated into sterling at the rates ruling at the balance sheet date and any differences are taken to the profit and loss account.

e) Taxation

Corporation tax payable is provided on taxable profits at the current rate of taxation.

Deferred taxation is accounted for using the liability method on all timing differences to the extent that liability will crystallise. Timing differences are taxable items, allowances or reliefs which are given effect to in taxation year different from those on which they have effect in the financial statements.

2 TURNOVER

The turnover for the year represents the net amount invoiced to third parties.

DOMESTAR PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

3 OTHER OPERATING EXPENSES

	2000 £	1999 £
Selling and distribution	5,838	5,357
Administrative expenses	20,299	13,841
	<u>£26,137</u>	<u>£19,198</u>

4 STAFF COSTS (including directors)

	2000 £	1999 £
Salaries	9,000	-
Social security costs	124	-
	<u>9,124</u>	<u>-</u>

The average weekly number of employees during the year was as follows

	No	No
Administration	<u>2</u>	<u>2</u>

5 OPERATING PROFIT

	2000 £	1999 £
This is stated after charging :		
Depreciation: - owned assets	287	287
Directors remuneration	9,000	-
Auditors' - non audit services	429	498
Auditors' remuneration	<u>1,650</u>	<u>1,350</u>

6 INTEREST RECEIVABLE

	2000 £5	1999 £3
Bank	<u></u>	<u></u>

7 TAXATION

	2000 £	1999 £
Based on the profit for the year:		
Corporation tax at 10% (1999 - Nil)	<u>£240</u>	<u>-</u>

DOMESTAR PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

8 FIXED TANGIBLE ASSETS.

	Equipment Fixtures & Fittings £
COST:	
Balance brought forward	1,435
At the end of the year	<u>£1,435</u>
DEPRECIATION:	
Balance brought forward	574
Charge for the year	287
At the end of the year	<u>£861</u>
NET BOOK VALUE:	
At 31 DECEMBER 2000	<u>£574</u>
At 31 DECEMBER 1999	<u>£861</u>

9 STOCK

	2000	1999
Stock of finished goods	<u>£26,597</u>	<u>£70,803</u>

10 DEBTORS

	2000 £	1999 £
AMOUNTS RECEIVABLE WITHIN ONE YEAR:		
Trade debtors	156,408	12,528
Other debtors	21,091	-
Called up share capital not paid	-	37,500
	<u>£177,499</u>	<u>£50,028</u>

DOMESTAR PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

11 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000	1999
	£	£
Bank overdraft (see note 14)	-	36,305
Trade creditors	145,498	27,148
Other creditors	-	31,389
Corporation tax payable	240	-
Other taxes and Social Security Costs	14,586	3,674
Accruals and deferred income	2,350	2,312
	<u>£162,674</u>	<u>£100,828</u>

12 DEFERRED TAXATION

There is no potential Deferred Tax liability.

13 CALLED-UP SHARE CAPITAL

	2000	1999
	£	£
AUTHORISED:		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

	Paid	Allotted and Called up	Paid	Allotted and called up
	£	£	£	£
ALLOTTED AND CALLED-UP AND PAID SHARE CAPITAL				
50,000 Ordinary shares 25p paid	<u>50,000</u>	<u>50,000</u>	<u>12,500</u>	<u>50,000</u>

14 RELATED PARTY TRANSACTIONS

The bank overdraft is secured by a personal guarantee given by Mr D J Golder.

DOMESTAR PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 2000

15 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit/(Loss) for the year	29,632	(22,771)
Opening shareholders' funds	21,205	43,976
Closing shareholders' funds	<u>£50,837</u>	<u>£21,205</u>

16 GROSS CASH FLOWS

	2000 £	1999 £
Return on investment and servicing of finance		
Interest received	5	3
Interest paid	(1,268)	(2,064)
	<u>(1,263)</u>	<u>(2,061)</u>

17 ANALYSIS OF CHANGES IN NET DEBT

	Balance 01-01-2000 £	Cash Flows £	Balance 31-12-2000 £
Cash at bank	341	8,500	8,841
Overdraft	(36,305)	36,305	-
	<u>£(35,964)</u>	<u>44,805</u>	<u>£8,841</u>