

EQUATEK LIMITED

FINANCIAL STATEMENTS

31st DECEMBER 2000

Registered number: 03672721



A35
COMPANIES HOUSE

A0FXXY70

0502
16/02/01

BKR HAINES WATTS

CHARTERED ACCOUNTANTS

Nottingham

EQUATEK LIMITED
FINANCIAL STATEMENTS
for the year ended 31 December 2000

CONTENTS

	Page
Company information	1
Directors Report	2
Accountants' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6
Trading and profit and loss account	12
Schedule of expenses	13

EQUATEK LIMITED

COMPANY INFORMATION

31 December 2000

INCORPORATED	In England and Wales on 24 November 1998
NUMBER	03672721
DIRECTORS	A Milner C Milner
SECRETARY	A Milner
ACCOUNTANTS	BKR Haines Watts Chartered Accountants 1 Loughborough Road West Bridgford Nottingham

EQUATEK LIMITED

DIRECTORS' REPORT

31 December 2000

The directors present their report and the financial statements for the year ended 31 December 2000.

Review of the business

The principal activity of the company is property development.

Directors

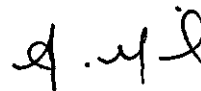
The directors at 31 December 2000, together with their interests, including family interests, in the share capital of the company at the beginning and end of the year were as follows:

	2000		1999
	'A' Ordinary Shares	Ordinary Shares	Ordinary Shares
	of £1 each	of £1 each	of £1 each
C Milner	-	159,999	159,999
A Milner	-	1	1

Mr A Milner has a beneficial interest in 300,000 'A' Ordinary Shares of £1 each.

In the preparation of the directors' report, advantage has been taken of the special exemptions applicable to small companies conferred by Part VII of Schedule 8 to the Companies Act 1985.

On behalf of the board



A Milner
Secretary

12.2.2001

EQUATEK LIMITED

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS

ON THE UNAUDITED ACCOUNTS OF

EQUATEK LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 2000 set out on pages 4 to 11 and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985. In accordance with your instructions we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities from the accounting records and information and explanations supplied to us.

15.2.01
Nottingham

BKR Haines Watts

BKR Haines Watts
Chartered Accountants

EQUATEK LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 December 2000

	Note	Continuing Operations 2000 £	13 months ended 31 December 1999 £
Turnover	2	669,000	37,977
Cost of sales		(529,324)	-
Gross profit		139,676	37,977
Administrative expenses		56,595	18,699
Operating profit	3	83,081	19,278
Interest receivable	5	19,315	748
Interest payable		12,199	847
Profit on ordinary activities before taxation		90,197	19,179
Taxation	6	18,170	4,096
Profit on ordinary activities after taxation		72,027	15,083
Dividends	7	16,000	-
Retained profit for the year	15	56,027	15,083

There are no recognised gains and losses other than those passing through the profit and loss account.

The notes on pages 6 to 11 form part of these accounts.

EQUATEK LIMITED

BALANCE SHEET
at 31 December 2000

	Note	2000 £	1999 £
Fixed Assets			
Tangible assets	8	23,103	-
Current assets			
Stock	9	18,500	288,086
Debtors	10	13,648	8,339
Cash at bank and in hand		540,131	548
		572,279	296,973
Creditors			
Amounts due within one year	11	(48,189)	(121,890)
		524,090	175,083
Net current assets		524,090	175,083
Total assets less current liabilities		547,193	175,083
Creditors			
Amounts due after one year	12	16,083	-
		531,110	175,083
Capital and reserves			
Share capital	14	460,000	160,000
Profit and loss account	15	71,110	15,083
		531,110	175,083
Shareholders' funds	16	531,110	175,083

The notes on pages 6 to 11 form part of these accounts.

EQUATEK LIMITED

BALANCE SHEET
at 31 December 2000
(continued)

The Financial statements have been prepared on the basis that:

- a) for the year ended 31 December 2000 the company satisfied the conditions specified in section 249A(1) of the Act and was entitled to the exemption from an audit for the year.
- b) no member or members have requested an audit pursuant to section 249B(2) of the Act, and;
- c) we acknowledge our responsibilities for:
 - i) ensuring that the company keeps accounting records which comply with section 221 of the Act, and
 - ii) preparing accounts which give a true and fair view of the state of the affairs of the company at 31 December 2000 in accordance with the requirements of section 226 of the Act, and which otherwise comply with the requirements of this Act relating to accounts.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standards for Smaller Entities (effective March 2000).

Approved by the Board

.....
A. Milner

A Milner

.....
12.2.2001

Date

EQUATEK LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2000

The accounts take into consideration events occurring between 31 December 2000 and the date of their approval by the Board of Directors.

1 Accounting policies

- a. The accounts have been prepared in accordance with the Financial Reporting Standards for Smaller Entities (effective March 2000) and under the historical cost convention.
- b. Turnover represents property sales where legal completion has taken place during the period.
- c. Work in progress balances are stated on a plot by plot basis, at net cost less foreseeable losses. No attributable profit is recorded until the date of the completion statement and full provision is made for losses immediately they can be foreseen.
- d. Depreciation is provided on the cost or valuation less estimated residual values of tangible assets over their estimated useful lives.

The following rates and bases apply:

- | | |
|------------------|-------------------------|
| Motor vehicles | - 20% straight line |
| Office equipment | - 33 1/3% straight line |

- e. Provision is made for taxation deferred in respect of all material timing differences between the treatment of certain items for taxation and accounting purposes, only to the extent that it is probable that the liability will become payable in the foreseeable future.
- f. Assets acquired under finance leases are included in the balance sheet at cost less depreciation. Future rentals, net of finance charges, are shown as a liability. The finance charge elements of future lease rentals are charged to the profit and loss account using the actuarial method. Rentals payable under operating leases are charged to the profit and loss account as they are incurred.

2 Turnover

All of the turnover has been generated within the United Kingdom.

EQUATEK LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2000

3 Operating profit

	13 months ended 31 December	
	2000	1999
	£	£
Operating profit is stated after charging:		
Accountancy	3,135	2,772
Depreciation on owned assets	929	-
Depreciation on assets held under hire purchase agreements	5,300	-
	<u> </u>	<u> </u>

4 Directors' Emoluments

	13 months ended 31 December	
	2000	1999
	£	£
Directors remuneration	37,841	8,334
	<u> </u>	<u> </u>

5 Interest receivable

	13 months ended 31 December	
	2000	1999
	£	£
Bank interest	19,315	748
	<u> </u>	<u> </u>

6 Taxation

The tax charge on the profit on ordinary activities was as follows:

	13 months ended 31 December	
	2000	1999
	£	£
Corporation tax charge at 20%	18,170	4,096
	<u> </u>	<u> </u>

EQUATEK LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2000

7 Dividends

	13 months ended 31 December	
	2000	1999
	£	£
Dividends paid at 10p per Ordinary Shares (1999: Nil)	16,000	-

8 Fixed Assets

	Motor Vehicles £	Office Equipment £	Total £
Cost			
Additions to 31 December 2000	26,500	2,832	29,332
Depreciation			
Charge for year	5,300	929	6,229
Net Book Value			
31 December 2000	21,200	1,903	23,103

9 Stock

	2000	1999
	£	£
Work in progress	18,500	288,086

10 Debtors

	2000	1999
	£	£
Other debtors	13,648	8,339

All debts are receivable within one year.

EQUATEK LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2000

11 Creditors: amounts falling due
within one year

	2000	1999
	£	£
Bank loans and overdrafts	24,069	76,294
Obligations held under hire purchase agreements	3,500	-
Corporation tax	18,170	4,096
Other creditors	700	40,000
Accruals	1,750	1,500
	<u>48,189</u>	<u>121,890</u>

12 Creditors: amounts falling due
after more than one year

	2000	1999
	£	£
Obligations held under hire purchase agreements	<u>16,083</u>	<u>-</u>

Secured liabilities amount to £43,652 (1999: £76,294).

13 Provisions for liabilities and charges

Deferred taxation

The company had no liability to deferred taxation at 31 December 2000 or 31 December 1999.

EQUATEK LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2000

14	Share capital	2000 £	1999 £
	Authorised		
	Ordinary shares of £1 each	200,000	200,000
	'A' Ordinary shares of £1 each	300,000	-
		500,000	200,000
	Issued and fully paid		
	Ordinary shares of £1 each	160,000	160,000
	'A' Ordinary shares of £1 each	300,000	-
		460,000	160,000

On 21 February 2000 the authorised share capital was increased from £200,000 to £500,000 by the creation of an additional 300,000 "A" Ordinary shares of £1 each, such shares to rank pari passu in all respects with the existing share capital of the company. These shares were then issued at par and paid in full for cash consideration.

15	Reserves	Profit & Loss Reserve £
	Brought forward	15,083
	Retained profit for the year	56,027
		71,110

16	Reconciliation of movements in shareholders' funds	2000 £
	Profit for the financial year	72,027
	Dividends paid	(16,000)
	Issued share capital in year	300,000
	Net addition to shareholders funds	356,027
	Opening shareholders funds	175,083
	Closing shareholders funds	531,110

EQUATEK LIMITED

NOTES ON FINANCIAL STATEMENTS

31 December 2000

17 Related Parties

During the year the company was under the joint beneficial control of Mr and Mrs A & C Milner being the majority shareholders.