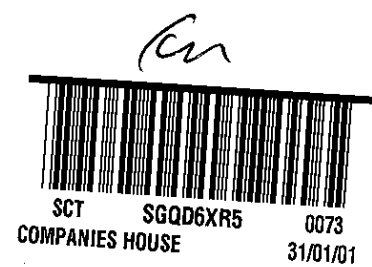


ADVANCEFORCE LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2000



COMPANY NO: SC109369

ADVANCEFORCE LIMITED

COMPANY INFORMATION

INCORPORATED:

In Scotland

DIRECTORS:

D G Adamson
J Adamson

SECRETARY:

J Adamson

COMPANY NUMBER:

SC109369

REGISTERED OFFICE:

Tinian House
Newmills
By Dunfermline
Fife KY12 8SU

ACCOUNTANTS:

John Lynch & Co
Chartered Accountants
Torridon Lane
ROSYTH
Fife KY11 2EU

ADVANCEFORCE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH 2000

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

PRINCIPAL ACTIVITY

The company's principal activity continues to be that of property development and letting.

DIRECTORS

The directors at 31st March 2000 and their interests in the share capital of the company were as follows:-

	Number of Shares 2000 and 1999
D G Adamson	17,501
J Adamson	<u>1</u>

SMALL COMPANY RULES

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

This report was approved by the board and signed on its behalf.

Director

JG Adamson

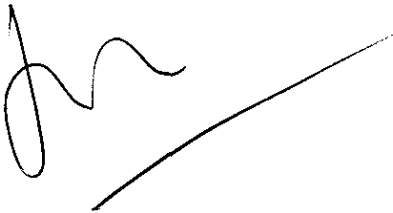
Date:

29/01/01

ADVANCEFORCE LIMITED

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTORS OF
ADVANCEFORCE LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31st March 2000 set out on pages 5 to 9, and you consider that the company is exempt from audit. 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, and we report that they are in accordance therewith.



John Lynch & Co
Reporting Accountants
Chartered Accountants
Torridon Lane
ROSYTH
Fife KY11 2EU

Date: 29/1/01

ADVANCEFORCE LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2000

		<u>2000</u>	<u>1999</u>
	Notes	£	£
Turnover	1,2	5,929	10,000
Profit on Disposal of Fixed Assets		9,357	10,359
		-----	-----
GROSS PROFIT		15,286	20,359
Administrative Expenses		(7,322)	(3,408)
		-----	-----
OPERATING PROFIT BEFORE INTEREST	3	7,964	16,951
Interest Payable		(4,865)	(7,075)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		3,099	9,876
Taxation on Profit on Ordinary Activities	4	(590)	(2,098)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		2,509	7,778
Dividends	5	-	-
		-----	-----
RETAINED PROFIT FOR THE YEAR		2,509	7,778
RETAINED LOSSES BROUGHT FORWARD		(25,445)	(33,223)
		-----	-----
RETAINED LOSSES CARRIED FORWARD		<u>(22,936)</u>	<u>(25,445)</u>

The notes on pages 7 to 9 form part of these financial statements.

ADVANCEFORCE LIMITED

BALANCE SHEET AS AT 31ST MARCH 2000

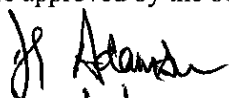
			<u>2000</u>	<u>1999</u>
FIXED ASSETS	Notes	£	£	£
Tangible Assets	6		42,593	70,135
CURRENT ASSETS				
Stock and Work-in-Progress		9,028		8,706
Debtors	7	9,300		1,300
		-----		-----
		18,328		10,006
CREDITORS: Amounts falling due within one year	8	(36,392)		(43,320)
		-----		-----
NET CURRENT LIABILITIES			(18,064)	(33,314)
			-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES			24,529	36,821
CREDITORS: Amounts falling due after more than one year	9		(29,963)	(44,764)
			-----	-----
NET LIABILITIES			(5,434)	(7,943)
			=====	=====
CAPITAL AND RESERVES				
Called Up Share Capital	10		17,502	17,502
Profit and Loss Account			(22,936)	(25,445)
			-----	-----
SHAREHOLDERS' FUNDS			(5,434)	(7,943)
			=====	=====

The directors consider that for the year ended 31st March 2000 the company was entitled to exemption from the requirement to have an audit under subsection 1 of section 249A of the Companies Act 1985. No members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing accounts 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 its profit or loss for the year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the company.

The financial statements, which have been proposed in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reports Standard for Smaller Entities, were approved by the board and signed on its behalf.

Director



Date:

29/01/01

The notes on pages 7 to 10 form part of these financial statements.

ADVANCEFORCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000

1. ACCOUNTING POLICIES

1.1 Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the value of rents received.

1.3 Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost less depreciation, except Property, which is not depreciated. This is contrary to accepted accounting policies described in Statement of Standard Accounting Practice No. 12 and is done so in order that the financial statements show a true and fair view.

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

Fixtures and Fittings	25%	reducing balance basis
Equipment	25%	reducing balance basis

1.4. Stocks and Work in Progress

Stocks and work in progress are valued at the lower of cost and net realisable value and represent the cost of land for future development.

2. TURNOVER

In the year to 31st March 2000, none of the company's turnover was derived from markets outside the United Kingdom (1999 - nil).

3. OPERATING PROFIT

	<u>2000</u>	<u>1999</u>
The operating profit is stated after charging:	£	£
Directors remuneration (exclusive of NIC)	3,250	-
Depreciation of Tangible Fixed Assets	628	441
	<u>=====</u>	<u>=====</u>

ADVANCEFORCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000

4. <u>TAXATION</u>	<u>2000</u>	<u>1999</u>
	£	£
UK Current Year Taxation		
UK Corporation Tax	592	2,084
Prior Years		
UK Corporation Tax - Overprovision/Underprovision	(2)	14
	-----	-----
	590	2,098
	=====	=====

5. DIVIDENDS

No dividends were proposed or paid during the year.

6. TANGIBLE FIXED ASSETS

	<u>Property</u>	<u>Fixtures & Fittings</u>	<u>Equipment</u>	<u>TOTAL</u>
<u>Cost</u>	£	£	£	£
At 01.04.99	68,811	1,388	2,198	72,397
Additions	-	-	1,196	1,196
Disposal	(28,110)	-	-	(28,110)
	-----	-----	-----	-----
At 31.03.00	40,701	1,388	3,394	45,483
	-----	-----	-----	-----
<u>Depreciation</u>				
At 01.04.99	-	1,120	1,142	2,262
Charge for Year	-	67	561	628
	-----	-----	-----	-----
At 31.03.00	-	1,187	1,703	2,890
	-----	-----	-----	-----
<u>Net Book Values</u>				
At 31.03.00	40,701	201	1,691	42,593
	=====	=====	=====	=====
At 31.03.99	68,811	268	1,056	70,135
	=====	=====	=====	=====

7. <u>DEBTORS</u>	<u>2000</u>	<u>1999</u>
	£	£
Amounts falling due within one year		
Prepayments and Accrued Income	1,300	1,300
Other Debtors	8,000	-
	-----	-----
	9,300	1,300
	=====	=====

ADVANCEFORCE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 2000

8. <u>CREDITORS:</u> Amounts falling due within one year	<u>2000</u>	<u>1999</u>
	£	£
Bank Loans and Overdrafts	33,904	40,472
Trade Creditors	259	-
Corporation Tax	599	2,084
Social Security and Other Taxes	747	-
Other Creditors	883	764
	-----	-----
	<u>36,392</u>	<u>43,320</u>

Of the creditors falling due within and after more than one year, the bank loans and overdrafts totalling £46,194 (1999 - £59,847) are secured.

Bank loans outstanding at the year end amounted to £19,373 (1999 - £26,875).

9. <u>CREDITORS:</u> Amounts falling due after more than one year	<u>2000</u>	<u>1999</u>
	£	£
Bank Loans and Overdrafts	12,290	19,375
Other Creditors	17,673	25,389
	-----	-----
	<u>29,963</u>	<u>44,764</u>

10. <u>CALLED UP SHARE CAPITAL</u>	<u>2000</u>	<u>1999</u>
<u>Authorised</u>	£	£
17,600 Ordinary Shares of £1 each	<u>17,600</u>	<u>17,600</u>
<u>Allotted, Called Up and Fully Paid</u>		
17,502 Ordinary Shares of £1 each	<u>17,502</u>	<u>17,502</u>

11. **RELATED PARTIES**

The controlling party is D G Adamson by virtue of his ownership of 99.99% of the issued ordinary share capital in the company.