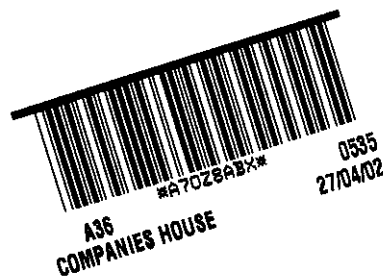


Registration Number 2881008

PALMER BROTHERS LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001



HARBEN BARKER
Chartered Accountants
Business Advisers and Registered Auditors



PALMER BROTHERS LIMITED

COMPANY INFORMATION

DIRECTORS

Mr P Palmer
Mrs P Palmer

SECRETARY

Mrs P Palmer

COMPANY NUMBER

2881008

REGISTERED OFFICE

Wentworth House
Little Aston Park Road
Little Aston
West Midlands
B74 3BZ

REPORTING ACCOUNTANTS

Harben Barker
Chartered Accountants
1 Coleshill Street
Sutton Coldfield
West Midlands
B72 1SD

BANKERS

Midland Bank Plc
90 Boldmere Road
Sutton Coldfield
West Midlands
B73 5UA

PALMER BROTHERS LIMITED

CONTENTS

	Page
Directors' Report	1
Accountants' Report	2
Profit and Loss Account	3
Balance Sheet	4 - 5
Notes to the Financial Statements	6 - 8

PALMER BROTHERS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2001

The directors present their report and the financial statements for the year ended 31 December 2001.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of consultancy services.


DIRECTORS AND THEIR INTERESTS

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2001	2000
Mr P Palmer	30	30
Mrs P Palmer	10	10

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

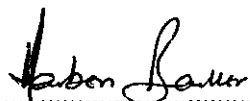
This report was approved by the Board on 10 April 2002 and signed on its behalf by


.....
MRS P PALMER
Secretary

PALMER BROTHERS LIMITED

**ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS TO THE
DIRECTORS OF PALMER BROTHERS LIMITED**

As described on the Balance Sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2001 set out on pages 3 to 8 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.



.....
HARBEN BARKER
Chartered Accountants
1 Coleshill Street
Sutton Coldfield
West Midlands
B72 1SD

DATE : 10 APRIL 2002

PALMER BROTHERS LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2001**

		2001	2000
	Notes	£	£
TURNOVER	2	200,446	199,491
Administrative expenses		(4,096)	(4,921)
OPERATING PROFIT	3	196,350	194,570
Interest receivable and similar income		1,454	7,198
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		197,804	201,768
Tax on profit on ordinary activities	4	(39,904)	(39,576)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		157,900	162,192
Dividends	5	(199,000)	(245,000)
(LOSS) FOR THE YEAR		(41,100)	(82,808)
Retained profit brought forward		50,048	132,856
RETAINED PROFIT CARRIED FORWARD		8,948	50,048

The notes on pages 6 to 8 form an integral part of these financial statements.

PALMER BROTHERS LIMITED

**BALANCE SHEET
AS AT 31 DECEMBER 2001**

		2001		2000	
	Notes	£	£	£	£
FIXED ASSETS					
Tangible assets	6		-		1,056
CURRENT ASSETS					
Debtors	7	77,076		57,780	
Cash at bank and in hand		147,244		48,327	
		<u>224,320</u>		<u>106,107</u>	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	8	<u>(215,272)</u>		<u>(57,015)</u>	
NET CURRENT ASSETS			9,048		49,092
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>9,048</u>		<u>50,148</u>
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Profit and loss account			8,948		50,048
SHAREHOLDERS' FUNDS			<u>9,048</u>		<u>50,148</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 8 form an integral part of these financial statements.

PALMER BROTHERS LIMITED

BALANCE SHEET (CONTINUED)

**DIRECTORS' STATEMENTS REQUIRED BY SECTION 249B(4)
FOR THE YEAR ENDED 31 DECEMBER 2001**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 December 2001 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing 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 its profit or loss for the year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Board on 10 April 2002 and signed on its behalf by



MR P PALMER

Director

The notes on pages 6 to 8 form an integral part of these financial statements.

PALMER BROTHERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2001

1. ACCOUNTING POLICIES

1.1. ACCOUNTING CONVENTION

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2. TURNOVER

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Office and musical
equipment - 33.33% straight line

1.4. DEFERRED TAXATION

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2. TURNOVER

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. OPERATING PROFIT

Operating profit is stated after charging:

Depreciation and other amounts written off tangible assets

2001	2000
£	£
<u>1,056</u>	<u>1,818</u>

4. TAXATION

UK Corporation Tax

2001	2000
£	£
<u>39,904</u>	<u>39,576</u>

PALMER BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

..... continued

5. DIVIDENDS	2001	2000
	£	£
Ordinary shares - Interim paid	45,000	245,000
Ordinary shares - Final proposed	154,000	-
	<u>199,000</u>	<u>245,000</u>

6. TANGIBLE FIXED ASSETS

	Office & musical equipment	Total
	£	£
COST		
At 31 December 2000 and At 31 December 2001	<u>12,191</u>	<u>12,191</u>
DEPRECIATION		
At 31 December 2000	11,135	11,135
Charge for the year	<u>1,056</u>	<u>1,056</u>
At 31 December 2001	<u>12,191</u>	<u>12,191</u>
NET BOOK VALUES		
At 31 December 2000	<u>1,056</u>	<u>1,056</u>
At 31 December 2001	<u>-</u>	<u>-</u>

7. DEBTORS	2001	2000
	£	£
Trade debtors	61,839	-
Other debtors	<u>15,237</u>	<u>57,780</u>
	<u>77,076</u>	<u>57,780</u>

PALMER BROTHERS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2001**

..... continued

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	2001 £	2000 £
Corporation tax	39,590	39,681
Other taxes and social security costs	14,035	12,687
Directors' accounts	73	73
Other creditors	4,574	1,574
Accruals and deferred income	3,000	3,000
Proposed dividend	154,000	-
	<u>215,272</u>	<u>57,015</u>
9. SHARE CAPITAL	2001 £	2000 £
AUTHORISED		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
ALLOTTED, CALLED UP AND FULLY PAID		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
10. CONTROLLING INTEREST		
There is no overall controlling interest.		