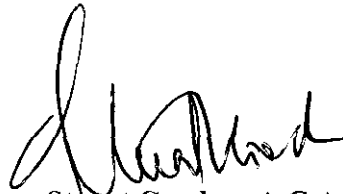


HARTSTON LIMITED**ACCOUNTANTS' REPORT TO THE DIRECTORS ON THE UNAUDITED ACCOUNTS
OF HARTSTON LIMITED**

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 30th April 2000 set out on pages 2-5, and you consider that the company is exempt from audit under the provisions of S.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.



Stuart Gordon, A.C.A.,
Chartered Accountant
Suite 3,
Capital House,
Speke Hall Road,
Hunts Cross,
Liverpool,
L24 9GB.

Date : 15th August 2000.



STUART GORDON A.C.A.

HARTSTON LIMITED

ABBREVIATED BALANCE SHEET AS AT 30th APRIL 2000

		2000	1999
	Notes	£	£
Fixed assets			
Tangible Assets	2	17,637	13,718
Current assets			
Stocks		13,957	8,967
Debtors	3	14,132	30,272
Cash at bank and in Hand		15,044	3,412
		-----	-----
		43,133	42,651
Creditors : amounts falling due within one year	4	35,764	44,165
		-----	-----
Net current assets/(liabilities)		7,369	(1,514)
		-----	-----
Total assets less current liabilities		25,006	12,204
		-----	-----
Creditors : amounts falling due after more than one year	5	-	-
135		-----	-----
Net Assets		25,006	12,069
		=====	=====
Capital and reserves			
Called up share capital	6	2	2
Profit and Loss Account		25,004	12,067
		-----	-----
Shareholders' funds		25,006	12,069
		=====	=====

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of S.249A(1) of the Companies Act 1985. No notice requiring an audit for the year ended 30th April 2000 has been deposited under S.249B of the Companies Act 1985. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with S.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 for the year then ended in accordance with the requirements of S.226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The abbreviated accounts, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 15th August 2000 and signed on its behalf.

F.A.M. Buckler
Director



The notes on pages 3 to 5 form part of these financial statements.

STUART GORDON A.C.A.

HARTSTON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30th APRIL 2000

1. Accounting policies

1.1 Basis of preparation of financial statements

The accounts have been prepared under the Historical Cost Convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of valued added tax and trade discounts. None of the turnover was exported (1999 – nil).

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their estimated useful lives on the following bases:

Fixtures and Fittings	- 20% WDV per annum on a reducing balance basis
Motor Vehicles	- 25% WDV per annum on a reducing balance basis

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a consistent periodic rate of charge on the net obligation outstanding in each period.

1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.6 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.7 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability will crystallise in the near future.

1.8 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.

STUART GORDON A.C.A.

HARTSTON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30th APRIL 2000

2. Tangible fixed assets

	<u>Motor Vehicles</u>	<u>Fixtures & Fittings</u>	<u>TOTAL</u>
Cost	£	£	£
At 1.5.1999	22,750	12,246	34,996
Additions	-	8,905	8,905
Disposals	-	-	-
	-----	-----	-----
At 30.4.2000	22,750	21,151	43,901
	-----	-----	-----
Depreciation			
At 1.5.1999	13,522	7,756	21,278
Charge	2,307	2,679	4,986
Disposals	-	-	-
	-----	-----	-----
At 30.4.2000	15,829	10,435	26,264
	-----	-----	-----
Net Book Value at 30.4.2000	6,921	10,716	17,637
	=====	=====	=====
Net Book Value at 1.9.1998	9,228	4,490	13,718
	=====	=====	=====

Included above are assets held under finance leases or hire purchase contracts amounting to £20,750 (1999 - £20,750).

3. Debtors

	<u>2000</u>	<u>1999</u>
	£	£
Due after more than one year	-	-
Due within one year		
Trade debtors	14,132	30,020
Prepayments and accrued income	-	252
	-----	-----
	14,132	30,272
	=====	=====

4. Creditors: amounts falling due within one year

	<u>2000</u>	<u>1999</u>
	£	£
Trade Creditors	5,560	9,199
Corporation tax	9,266	1,487
Obligations under finance lease and hire purchase contracts	1,038	5,052
Other taxes and social security costs	2,658	3,459
Accruals and deferred income	1,560	1,375
Directors Current Accounts	15,682	23,593
	-----	-----
	35,764	44,165
	=====	=====

The finance leases and hire purchase contracts are secured on the assets concerned.

STUART GORDON A.C.A.

HARTSTON LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30th APRIL 2000

5. Creditor: amounts falling due after more than one year

	<u>2000</u>	<u>1999</u>
	£	£
Obligations under finance leases and hire purchase contracts	-	135
	-----	-----
	-	135
	=====	=====

The finance leases and hire purchase contracts are secured on the assets concerned.

6. Share capital

	2000	1999
Authorised		
Ordinary shares of £1 each	99	99
	=====	=====
Allotted, called up and fully paid		
Ordinary shares of £1 each	2	2
	=====	=====