

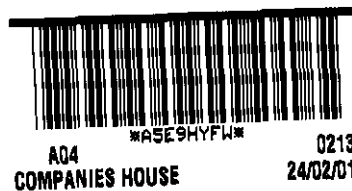
5 STAR COMPUTER SYSTEMS LTD

Company No: 3346768

FINANCIAL STATEMENTS

- for the Year ended -

30TH APRIL 2000



STEPHEN LEONARD & CO
13 Peverells Wood Avenue
Chandlers Ford, Eastleigh, Hants SO53 2AX

5 STAR COMPUTER SYSTEMS LTD

DIRECTORS

A J Clarke
G P Clarke

SECRETARY

Computecounts Secretarial Ltd

BUSINESS ADDRESS

Unit 16
Hedgend Industrial Estate
St Nicholas
Kent

REGISTERED OFFICE

14 Station Road
Birchington
Kent
CT7 9DQ

AUDITORS

Stephen Leonard & Co
13 Peverells Wood Avenue
Chandlers Ford, Eastleigh
Hants SO53 2AX

PRINCIPAL BANKERS

National Westminster Bank Plc
PO Box 190
13 Cecil Square
Margate
Kent

5 STAR COMPUTER SYSTEMS LTD

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5 STAR COMPUTER SYSTEMS LTD

REPORT OF THE DIRECTORS

The directors present their report and audited financial statements for the Year ended 30th April 2000 .

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company supplies and maintains commercial computer systems.

In accordance with Statutory Instrument IR35, issued by the Inland Revenue in December 1999, the company has included voluntarily an element of pre-paid service charges as income during the year to the 30th April 1999. The effect of IR35 will be that all pre-paid service charges received from the 1st April 2000 will be included as current income in future.

DIVIDENDS

The directors do not recommend payment of a dividend.

DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the Year (or on appointment if later), were as follows:

	<u>Class of shares</u>	<u>Number of shares</u>	
		<u>2000</u>	<u>1999</u>
A J Clarke	Ordinary shares class 1	1	1
G P Clarke	Ordinary shares class 1	1	1

DIRECTORS' 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;
- 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.

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors, Stephen Leonard & Co, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

By Order of the Board

Date: 23 February 2001.

SMWhe
Secretary

Page 1 *Per Pro Computecounts*
Secretarial Ltd.

5 STAR COMPUTER SYSTEMS LTD

AUDITORS' REPORT TO THE SHAREHOLDERS OF
5 STAR COMPUTER SYSTEMS LTD

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described in the Directors' Report 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.

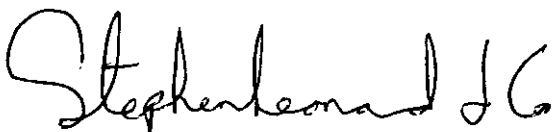
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices 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. As we were not appointed auditors until after the year end we were unable to attend the stocktake and verify the stock figure. However, the figure disclosed in the accounts is consistent with subsequent monthly stock figures.

Opinion

In our opinion the financial statements give a true and fair view of the state of affairs of the company as at 30th April 2000 and of its profit for the Year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Chartered Certified Accountants
Registered Auditors**

Date: 23 February 2001.

STEPHEN LEONARD & CO

**13 Peverells Wood Avenue
Chandlers Ford, Eastleigh
Hants SO53 2AX
CT7 9DQ**

5 STAR COMPUTER SYSTEMS LTD

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH APRIL 2000

	Notes	2000 £	1999 £
TURNOVER		1,139,187	630,994
Cost of sales		(320,303)	(228,560)
GROSS PROFIT		818,884	402,434
Distribution costs		(4,559)	(3,768)
Administrative expenses		(764,119)	(369,003)
OPERATING PROFIT	2	50,206	29,663
Interest receivable	3	48	574
Interest payable	4	(15)	(1)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		50,239	30,236
Tax on profit on ordinary activities	5	(10,550)	(6,350)
PROFIT FOR THE FINANCIAL YEAR	10	39,689	23,886

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 5 to 7 form part of these financial statements.

5 STAR COMPUTER SYSTEMS LTD

BALANCE SHEET AT 30TH APRIL 2000

	Notes	£	2000	£	£	1999	£
FIXED ASSETS							
Tangible assets				584			779
CURRENT ASSETS							
Stocks	6	23,461				15,610	
Debtors	7	197,597				110,295	
Cash at bank and in hand		17,294				25,436	
			238,352			151,341	
CREDITORS: Amounts falling due within one year							
	8	(144,430)				(97,303)	
NET CURRENT ASSETS							
				93,922			54,038
TOTAL ASSETS LESS CURRENT LIABILITIES							
				94,506			54,817
CAPITAL AND RESERVES							
Called up share capital	9			2			2
Profit and loss account	10			94,504			54,815
SHAREHOLDERS FUNDS							
	11			94,506			54,817

The financial statements were approved
by the board on 22 February 2001.
and signed on its behalf by

X  X Director

The notes on pages 5 to 7 form part of these financial statements.

5 STAR COMPUTER SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2000

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the Year.

1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Fixtures and fittings	25% Reducing Balance
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1.4 STOCKS

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

2. OPERATING PROFIT

	2000 £	1999 £
The operating profit is stated after charging:		
Depreciation	195	260
Auditors' remuneration	500	500
	<hr/>	<hr/>

3. INTEREST RECEIVABLE

	2000 £	1999 £
Bank and other interest receivable	48	574
	<hr/>	<hr/>

5 STAR COMPUTER SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2000

4. INTEREST PAYABLE

	2000 £	1999 £
On bank loans and overdrafts	15	1
	<u>15</u>	<u>1</u>

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
The taxation charge comprises:		
U.K. corporation tax at 21% (1999 - 23%)	10,550	6,350
	<u>10,550</u>	<u>6,350</u>

6. STOCKS

	2000 £	1999 £
Finished goods and goods for resale	23,461	15,610
	<u>23,461</u>	<u>15,610</u>

7. DEBTORS

	2000 £	1999 £
Trade debtors	196,101	110,280
Other debtors	15	15
Prepayments and accrued income	1,481	-
	<u>197,597</u>	<u>110,295</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade creditors	92,373	35,027
Corporation tax	17,111	11,073
Other taxes and social security costs	752	2,402
Directors' current accounts	2,460	2,460
Accruals and deferred income	31,734	46,341
	<u>144,430</u>	<u>97,303</u>

5 STAR COMPUTER SYSTEMS LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH APRIL 2000

9. SHARE CAPITAL

	2000 £	1999 £
<u>Authorised</u>		
Equity interests:		
1,000 Ordinary shares class 1 of £1 each	<u>1,000</u>	<u>1,000</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
2 Ordinary shares class 1 of £1 each	<u>2</u>	<u>2</u>

10. PROFIT AND LOSS ACCOUNT

	2000 £	1999 £
Retained profits at 1st May 1999	54,815	30,929
Profit for the financial Year	<u>39,689</u>	<u>23,886</u>
Retained profits at 30th April 2000	<u>94,504</u>	<u>54,815</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial Year	39,689	23,886
Shareholders' funds at 1st May 1999	<u>54,817</u>	<u>30,931</u>
Shareholders' funds at 30th April 2000	<u>94,506</u>	<u>54,817</u>
Represented by:-		
Equity interests	<u>94,506</u>	<u>54,817</u>
	<u>94,506</u>	<u>54,817</u>

12. TRANSACTIONS WITH DIRECTORS

Through a partnership trading as 5 Star Computer Systems, the directors provide management and support services to the company. The value of these services during the year was £635,000.