

R.O.C.

KAINES COMPUTING LIMITED

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2000

Company Number 2746018 (England & Wales)



KAINES COMPUTING LIMITED

COMPANY INFORMATION

DIRECTOR: Mr Norman Frank Charles Kaines

SECRETARY: Ms Eulaila Sta Maria

COMPANY NUMBER: 2746018 (England and Wales)

REGISTERED OFFICE: 241-243 Baker Street
London NW1 6XE.

ACCOUNTANTS: Geoffrey Nathan International
3rd Floor
Hill House
Highgate Hill
London
N19 5NA

KAINES COMPUTING LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2000

CONTENTS

Page 1. Report of the Director

Page 2. Profit and Loss Account

Page 3. Balance Sheet

Page 4-7. Notes to the Financial Statements

The following page does not form part of the Statutory Accounts

8. Trading and Profit and Loss Account

KAINES COMPUTING LIMITED
REPORT OF THE DIRECTOR

FOR THE YEAR ENDED 31 AUGUST 2000

The director presents his report and the financial statements for the year ended 31 August 2000.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

PRINCIPAL ACTIVITY

The principal activity of the company continues to be that of computer software consultancy.

FUTURE DEVELOPMENTS


The company will continue to promote its services.

DIRECTOR

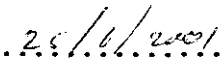
The director who served during the year and his beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	2000	1999
Mr Norman Kaines	100	100

This report, which has been prepared taking advantage of special exemptions applicable to small companies was approved by the board and signed on its behalf.



 Mr Norman Kaines
 Director



 Date:

KAINES COMPUTING LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2000

	<u>Notes</u>	<u>2000</u> £	<u>1999</u> £
TURNOVER	1	666	5,710
Administration Expenses		(48,564)	6,927
<u>OPERATING PROFIT/(LOSS)</u>	2	49,230	(1,217)
Income from Investments	5	5,836	6,217
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		55,066	5,000
Tax on Ordinary Activities	6	11,061	1,028
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		44,005	3,972
Dividends	7	(5,000)	(11,000)
<u>RETAINED PROFIT/(LOSS) FOR THE YEAR</u>		<u>£ 39,005</u>	<u>£ (7,028)</u>
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit Brought Forward		94,763	101,791
Retained Profit/(Loss) for the Year		39,005	(7,028)
RETAINED PROFIT CARRIED FORWARD		<u>£ 133,768</u>	<u>£ 94,763</u>

There were no recognised gains and losses for 2000 or 1999 other than those
included in the profit and loss account.

The notes on pages 4 to 7 form part of these financial statements.

KAINES COMPUTING LIMITEDBALANCE SHEET
AS AT 31 AUGUST 2000

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
FIXED ASSETS		£	£
Tangible Assets	8	1,162	1,549
CURRENT ASSETS			
Debtors	9	47	6,717
Investments	10	13,190	8,265
Cash at Bank and in Hand		130,908	81,161
		<u>144,145</u>	<u>96,143</u>
CREDITORS : amounts falling due within one year	11	<u>11,439</u>	<u>2,829</u>
NET CURRENT ASSETS		<u>132,706</u>	<u>93,314</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>£ 133,868</u>	<u>£ 94,863</u>
CAPITAL AND RESERVES			
Share Capital	12	100	100
Profit and Loss Account		<u>133,768</u>	<u>94,763</u>
SHAREHOLDERS' FUNDS	13	<u>£ 133,868</u>	<u>£ 94,863</u>

The director has taken advantage, in the preparation of these financial statements, of special exemptions applicable to small companies on the grounds that the company qualifies as a small company by virtue of section 247 of the Companies Act 1985.

The director has also taken advantage of the small Company Audit Exemption under the Companies Act 1985 (Audit Exemption) Regulations 1994 and confirms:

- (a) that for the year in question the company was entitled to exemption under Section 249A(1) of the Companies Act 1985;
- (b) that no notice has been deposited under Section 249B(2) of the Act in relation to its accounts for the financial year;
- (c) that the director acknowledges his responsibilities for:
 - (1) ensuring that the company maintains proper books and records as required by Section 221, and
 - (2) preparing financial statements which give a true and fair view of the state of affairs of the company and of its profit and loss for the financial year in accordance with the Section 226 and which otherwise comply with the requirements of the Act relating to accounts.

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

.....
 Mr Norman Kaines
 Director

.....
 Date:

The notes on pages 4 to 7 form part of these financial statements.

KAINES COMPUTING LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2000**1. ACCOUNTING POLICIES****Basis of preparation**

The financial statements are prepared under the historical cost convention and include results of the company's operations as indicated in the director's report, all of which are continuing.

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

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost or valuation 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 expected useful lives on the following bases:

Office Equipment	25% Reducing balance basis
------------------	----------------------------

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 or asset will crystallise in the near future.

Pensions

The company does not operate a pension scheme.

2. OPERATING PROFIT

The Operating Profit is stated
after charging:

	<u>2000</u>	<u>1999</u>
	£	£
Amount Written Off Tangible Fixed Assets	387	516
Staff Costs - note 3.	2,508	6,542
	<u> </u>	<u> </u>

KAINES COMPUTING LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 20003. STAFF COSTS

The costs incurred, including director's remuneration were as follows:

	<u>2000</u>	<u>1999</u>
	£	£
Wages and Salaries	2,508	6,167
Social Security Costs	-	375
	<u>2,508</u>	<u>6,542</u>
Number of employees, including director, during the year was as follows:	<u>1</u>	<u>1</u>

4. DIRECTOR'S REMUNERATION

	<u>2000</u>	<u>1999</u>
	£	£
Director's Remuneration	<u>2,508</u>	<u>6,167</u>
Number of directors	<u>1</u>	<u>1</u>

5. INCOME FROM INVESTMENTS

	<u>2000</u>	<u>1999</u>
	£	£
Bank Interest Received	<u>5,836</u>	<u>6,217</u>

6. TAXATION

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

	<u>2000</u>	<u>1999</u>
	£	£
UK Corporation Tax @ 20%	<u>11,061</u>	<u>1,028</u>

7. DIVIDENDS

	<u>2000</u>	<u>1999</u>
	£	£
Dividends Paid	<u>5,000</u>	<u>11,000</u>

KAINES COMPUTING LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 20008. TANGIBLE FIXED ASSETS

	<u>Office Equipment</u>
	£
COST	
At 01 September 1999	7,698
At 31 August 2000	7,698
DEPRECIATION	
At 01 September 1999	6,149
Charge for year	387
At 31 August 2000	6,536
NET BOOK VALUE	
At 31 August 2000	1,162
At 31 August 1999	1,549

9. DEBTORS

	<u>2000</u>	<u>1999</u>
	£	£
Amounts due within one year:		
Trade Debtors	-	6,707
PAYE	-	10
Value Added Tax	47	-
	47	6,717

10. CURRENT ASSET INVESTMENTS

	<u>2000</u>	<u>1999</u>
	£	£
Investments	13,190	8,625

11. CREDITORS

	<u>2000</u>	<u>1999</u>
	£	£
Amounts falling due within one year:		
Bank Loans and Overdrafts (see below)	-	727
Other Creditors:		
Current Corporation Tax	10,893	1,028
Other Taxation and Social Security	-	946
Director's Current Account	352	110
Accruals and Deferred Income	194	18
	11,439	2,829

There are no terms or conditions as to interest or repayment in respect of Director's Current Account.

KAINES COMPUTING LIMITEDNOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 200012. CALLED UP SHARE CAPITAL

	<u>2000</u>	<u>1999</u>
	£	£
Authorised Share Capital		
Ordinary Shares of £1 each	1000	1000
	<u> </u>	<u> </u>
Allotted, Issued and Fully Paid		
Ordinary Shares of £1 each	100	100
	<u> </u>	<u> </u>

13. MOVEMENT ON SHAREHOLDERS' FUNDS

	<u>2000</u>	<u>1999</u>
	£	£
Profit for the year	44,005	3,972
Less: Dividends	(5,000)	(11,000)
	<u> </u>	<u> </u>
	39,005	(7,028)
Opening shareholders' funds	94,863	101,891
	<u> </u>	<u> </u>
Closing shareholders' funds	133,868	94,863
	<u> </u>	<u> </u>

14. CONTINGENT LIABILITIES

At the date of the balance sheet there were no contingent liabilities.

15. CAPITAL COMMITMENTS

There were no capital commitments at the end of the year.