

COMPSTAR LTD.

ABBREVIATED
DIRECTORS REPORT
AND
ACCOUNTS

for the year ended

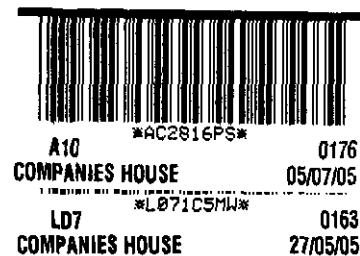
31 JULY 2004

SIMON TESLER & ASSOCIATES

Chartered Accountants
Registered Auditors

149 Albion Road
London N16 9JU

2517776



COMPSTAR LTD.

Company No. 2517776

DIRECTORS:-

Mr. I Pels

Mrs. D. Pels

SECRETARY:-

Mr. I Pels

REGISTERED OFFICE:-

1033a Finchley Road
London NW11

AUDITORS:-

Simon Tesler & Associates
Chartered Accountants
149 Albion Road
London N16 9JU

COMPSTAR LTD.

INDEX TO THE ABBREVIATED ACCOUNTS

for the year ended

31 JULY 2004

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ACCOUNTANTS' REPORT
ON THE UNAUDITED ACCOUNTS
TO THE DIRECTORS OF
COMPSTAR LTD.

As described on the Balance Sheet you are responsible for the preparation of the accounts for the year ended 31 July 2004, set out on pages 2 to 5 and you consider that the company is exempt from an audit and a report under Section 249A(1) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfill your statutory responsibilities, from the accounting records and information and explanations supplied to us.

SIMON TESLER & ASSOCIATES
Chartered Accountants
Reporting Accountants
149 Albion Road,
London N16 9JU

Date: 17 May 2005

COMPSTAR LTD.
ABBREVIATED BALANCE SHEET

31 JULY 2004

	Notes	£	<u>2004</u>	£	£	<u>2003</u>	£
FIXED ASSETS							
Tangible Assets	(3)		1,201,085			1,631,076	
Investment			100			100	
CURRENT ASSETS							
Debtors	(6)	605,844			745,845		
Cash at Bank and in Hand		<u>24,878</u>			<u>30,491</u>		
		630,722			776,336		
CREDITORS: Amounts falling due within one year	(7)	<u>(1,081,050)</u>			<u>(1,296,282)</u>		
NET CURRENT ASSETS (LIABILITIES)			<u>(450,328)</u>			<u>(519,946)</u>	
TOTAL ASSETS less CURRENT LIABILITIES			750,857			1,111,230	
CREDITORS: Amounts falling due after more than one year	(8)		(896,486)			(1,184,239)	
Provision liabilities and charges			<u>—</u>			<u>—</u>	
Net Assets			<u>(145,629)</u>			<u>(73,009)</u>	
CAPITAL AND RESERVES							
Called up Share Capital	(4)		100			100	
Profit and Loss Account			(145,729)			(73,109)	
Capital Reserve			<u>—</u>			<u>—</u>	
Revaluation Reserve			<u>—</u>			<u>—</u>	
Shareholders Fund - All Equity			<u>(145,629)</u>			<u>(73,009)</u>	

The immediately following page forms an integral part of this Balance Sheet.

.....continued from Page 2

The Directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985.

Shareholders holding 10% or more of the nominal value of the company's issued share capital have not issued a notice requiring an audit.

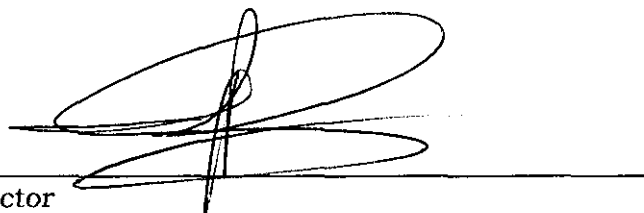
The Directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 July 2004 and of its results for the year then ended 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.

In preparing these abbreviated accounts the directors have taken advantage of the exemptions conferred by Part III of Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to the exemptions as a small company.

The directors have taken advantage, in the preparation of the annual accounts, of the exemptions available under Part I of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

These accounts were approved by the Board of Directors on 17 May 2005 and signed on its behalf.

Director

A handwritten signature in black ink, consisting of several loops and a vertical stroke, is written over a horizontal line.

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

COMPSTAR LTD.

NOTES TO THE ABBREVIATED ACCOUNTS

(Forming part of the Accounts)

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in the preparation of the Company's Accounts:

1.1 BASIS OF ACCOUNTING

The Accounts have been prepared under the historical cost convention and in accordance with applicable Accounting Standards except for the policy of accounting for investment properties referred to in note 1.2 below.

1.2 INVESTMENT PROPERTIES

Investment properties are included in the balance sheet at historical cost which is not in accordance with Statements of Accounting Practice No. 19, which requires such properties to be stated at their open market value.

1.3 DEPRECIATION

In accordance with Statement of Standard Accounting Practice No. 19, no depreciation or amortisation is provided in respect of Freehold investment properties nor on Leasehold investment properties having an unexpired term of more than twenty years.

This departure from the requirements of the Companies Act 1985, for all properties to be depreciated, is necessary, as the Directors consider that this Accounting Policy results in the Accounts giving a true and fair view.

Leases having an unexpired term of less than twenty years are amortised evenly over the remaining period of the lease.

Low value items of furniture and fittings are written off in the year in which they are acquired.

Motor Vehicles and Fixtures and Fittings are depreciated so as to write off their respective costs over their estimated useful lives at the rate of 25% by the reducing balance method.

1.4 CASH FLOW STATEMENT

The Company is exempted from the requirement to prepare a Cash Flow Statement (in accordance with Financial Reporting Standard No. 1) on the basis of its being a "small company" as defined by Section 247 Companies Act 1985.

1.5 DEFERRED TAXATION

Provision is made for deferred taxation, using the liability method, on all material timing differences to the extent that it is probable that the liability will crystallise.

2. FORMAT OF ACCOUNTS

The Accounts are presented in accordance with the format prescribed by Schedule 4 Companies Act 1985 with suitable adaptation thereof which the Directors consider to be appropriate having regard to the nature of the company's activities.

COMPSTAR LTD.

NOTES TO THE ABBREVIATED ACCOUNTS (Continued)

3. TANGIBLE FIXED ASSETS

	<u>Freehold Property</u> £	<u>Office Equipment</u> £
<u>Cost or Valuation</u>		
At Beginning of Year	1,629,876	2,235
Additions	30,750	—
Cost of Disposal	<u>(460,241)</u>	<u>—</u>
Depreciation Brought Forward		1,035
Charge for Year		<u>500</u>
Balance Carried Forward		<u>1,535</u>
<u>Net Book Value</u>		
At 31 July 2004	<u>1,200,385</u>	<u>700</u>
At 31 July 2003	<u>1,629,876</u>	<u>1,200</u>

In accordance with the Company's stated accounting policy (see note 1.3) no depreciation have been provided in respect of freehold or long-leasehold properties which are held for investment purposes.

4. CALLED UP SHARE CAPITAL

	<u>2004</u>	<u>2003</u>
<u>Authorised:</u>		
Ordinary Shares of £1 each	<u>1,000</u>	<u>1,000</u>
<u>Issued and fully paid:</u>		
Ordinary Shares of £1 each	100	100

5. TURNOVER AND NET RENTAL INCOME

The turnover of the company is represented by Rents and Charges Received in respect of its Investment Properties.

6. DEBTORS

There are no debtors that fall due after more than one year.

7. CREDITORS: Amounts falling due within one year

Bank Loans & Overdraft (Secured) — —

Bank Loans and Overdrafts are secured by fixed first legal charge on certain of the company's investments and by way of a floating charge on the other assets of the company.

COMPSTAR LTD.

NOTES TO THE ABBREVIATED ACCOUNTS (Continued)

	<u>2004</u>	<u>2003</u>
8. <u>CREDITORS: Amounts falling due after more than one year</u>		
Bank Loan (Secured)	896,486	1,184,239
Other Creditors	—	—
The Bank Loans are secured on the company's freehold investment properties and is repayable over 5 years.		
9. <u>CONTINGENT LIABILITIES</u>		
The company had no contingent liabilities outstanding at the year end.		
10. <u>CAPITAL COMMITMENTS</u>		
At the year end the company had no capital commitments outstanding.		
11. <u>OTHER COMMITMENTS</u>		
At the year end the company had no annual commitments outstanding.		
12. <u>POST BALANCE SHEET EVENTS</u>		
No relevant events occurred of any material nature which effect the company's financial position at year end.		
13. <u>RELATED PARTIES TRANSACTIONS</u>		
The company did not enter into any business transactions with its directors, or related parties.		
14. <u>EXCEPTIONAL ITEM</u>		
	NIL	NIL
15. <u>ULTIMATE PARENT COMPANY</u>		
All the share capital is held by Bellgate Ltd., a company registered in the U. K.		