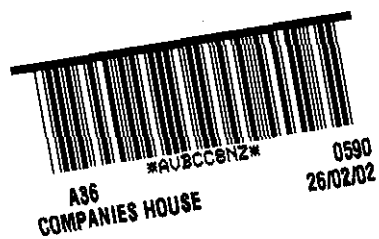


Registered number: 3007699

REPORT AND ACCOUNTS
Caversham Resources Limited

31 JANUARY 2001



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DIRECTOR'S REPORT

The Director presents his report with the accounts of the Company for the year ended 31 January 2001.

PRINCIPAL ACTIVITY

The principal activity of the company during the period consisted of the provision of computer-based payroll and business consultancy services.

BUSINESS REVIEW

The company's scope of work continues to grow but with additional personnel costs; ; however, it is likely that one of the contracts may not be renewed on expiry in June 2001, and corrective action will need to be taken.

DIRECTOR AND HIS INTERESTS

The Director who served during the year and his beneficial interests in the ordinary share capital of the company was as follows:

	Ordinary Shares of £1 each at 31 January	
	2001	2000
Mr S E Gillani	51	51

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare accounts 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 accounts, the Directors are required to:

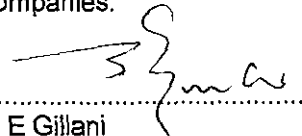
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

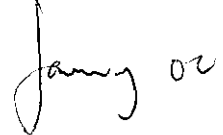
The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for the safeguarding of the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

REPORTING ACCOUNTANTS

In accordance with the Companies Act 1985, a resolution re-appointing Bendel & Co as reporting accountants will be presented at the annual general meeting.

In preparing the above report the Director has taken advantage of special exemptions applicable to small companies.


.....
S E Gillani
By order of the Board

Dated: 29 January 01



**ACCOUNTANTS REPORT TO THE DIRECTOR ON THE
UNAUDITED ACCOUNTS OF CAVERSHAM RESOURCES LIMITED**

We have prepared, on the basis of the information contained in the Company's accounting records and provided by the Company's Director, and without carrying out an audit or other procedures, the accounts set out on pages 3 to 7. The accounts have been prepared in accordance with the applicable requirements of the Companies Act 1985.

As described on page 1 you are responsible for the accounts and you believe the Company is fully exempt from audit.

We have not conducted an audit on the accounts in accordance with Auditing Standards or carried out any procedures in accordance with the appropriate Standards for Reporting Accountants issued by the Auditing Practices Board and accordingly we express no opinion thereon.

5 Whitegate Gardens
Harrow Weald
Middlesex
HA3 6BW


Bendel & Co
Chartered Accountants

Date: 29 January 2002

PROFIT AND LOSS ACCOUNT

	Notes	2001 £	2000 £
TURNOVER	1	79,399	85,409
OPERATING PROFIT	2	79,399	85,409
Administration expenses		(42,349)	(23,377)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,050	62,032
Tax on profit on ordinary activities	3	(4,727)	(13,269)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		32,323	48,763
Dividends	4	(30,000)	(40,000)
RETAINED PROFIT FOR THE PERIOD CARRIED FORWARD		£ 2,323	£ 8,763

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the results for the above two financial periods.

BALANCE SHEET

	Notes	2001	2000
		£	£
FIXED ASSETS			
Tangible assets	5	66,169	2,022
CURRENT ASSETS			
Debtors	6	9,358	9,192
Cash at bank and in hand		9,359	33,561
		18,717	42,753
CREDITORS: Amounts falling due within one year	7	(30,594)	(23,691)
		(11,877)	19,062
		54,292	21,084
CREDITORS: Amounts falling due after more than one year	8	(30,885)	-
NET ASSETS		£ 23,407	£ 21,084
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account		23,307	20,984
	10	£ 23,407	£ 21,084

For the year ended 31 January 2001 the company was entitled to the exemption conferred by subsection (1) of section 249A of the Companies Act 1985.

The director confirms that no notice under subsection (2) of section 249B Companies Act 1985 in relation to its accounts for the financial year requiring an audit has been deposited by members.

The director acknowledges his responsibility for:

- Ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and
- Preparing accounts which give a true and fair view of the state of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to accounts, so far as applicable to the company.

The director has taken advantage of special exemptions conferred by Part 1 of schedule 8 of the Companies Act 1985 applicable to small companies in the preparation of the accounts and has done so on the grounds that, in his opinion, the company is entitled to those exemptions.

Signed on behalf of the board

S E Gillani (Director)

Dated: 29 Jan 02

The notes on pages 5 and 7 form part of these accounts

NOTES TO THE ACCOUNTS

1 PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

Cash flow

The accounts do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

Depreciation

Depreciation is provided at the following annual rates to write off each asset over its estimated useful life as follows:

Computer equipment	-	25% straight line
Motor vehicle	-	25% on reducing balance

Turnover

Turnover represents net invoiced sales of goods excluding Value Added Tax and is all derived from the company's principal activity.

2 OPERATING PROFIT	2001	2000
	£	£
Operating profit is stated after charging:		
Directors remuneration	4,000	2,500
Depreciation	4,837	674
	<u>£ 4,727</u>	<u>£ 13,269</u>
3 TAX ON PROFIT ON ORDINARY ACTIVITIES		
Corporation tax @ 20%	6,591	3,079
Over provision in respect of an earlier year	(1,864)	190
	<u>£ 4,727</u>	<u>£ 13,269</u>
4 DIVIDENDS		
Interim dividends @ £NIL per share (£200)	-	20,000
Final dividend £150 (£200)	30,000	20,000
	<u>£ 30,000</u>	<u>£ 40,000</u>

NOTES TO THE ACCOUNTS

5 FIXED ASSETS

	Computer equipment £	Motor vehicle £	Total £
Cost			
At 31 January 2000	5,800	-	5,800
Additions	6,484	62,500	68,984
	<u> </u>	<u> </u>	<u> </u>
At 31 January 2001	£ 12,284	£ 62,500	£ 74,784
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 31 January 2000	3,778	-	3,778
Charge for the year	931	3,906	4,837
	<u> </u>	<u> </u>	<u> </u>
At 31 January 2001	£ 4,709	£ 3,906	£ 8,615
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 January 2001	£ 7,575	£ 58,594	£ 66,169
	<u> </u>	<u> </u>	<u> </u>
At 31 January 2000	£ 2,022	£ -	£ 2,022
	<u> </u>	<u> </u>	<u> </u>
	2001 £		2000 £

6 DEBTORS

Trade and sundry debtors	£ 9,358	£ 9,192
	<u> </u>	<u> </u>

7 CREDITORS: Amounts falling due
within one year

Other creditors	11,475	8,547
Corporation tax	6,591	13,079
Other taxes and social security	4,275	2,065
Hire purchase	8,253	-
	<u> </u>	<u> </u>
	£ 30,594	£ 23,691
	<u> </u>	<u> </u>

8 CREDITORS: Amounts falling due
after more than one year

£ 30,885	£ -
<u> </u>	<u> </u>

9 CALLED UP SHARE CAPITAL

Authorised		
1,000 ordinary shares of £1 each	£ 1,000	£ 1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	£ 100	£ 100
	<u> </u>	<u> </u>

NOTES TO THE ACCOUNTS (Continued)

10 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	2001 £	2000 £
Opening shareholders' funds at 1 February 2000	21,084	12,321
Profit for the period after taxation	<u>2,323</u>	<u>8,763</u>
Closing shareholders' funds at 31 January 2001	<u>£ 23,407</u>	<u>£ 21,084</u>

11 RELATED PARTY TRANSACTIONS

A director of the company, Mr S E Gillani is also principal of Gillani & Co. During the year the company acquired goods and services from Gillani & Co to the value of £16,166 (2000 : £7,850), all at market value.

Mr S E Gillani is also a director of, but has no controlling interest in, Melcourt Properties Limited. During the year the company acquired goods and services from Melcourt Properties Limited to the value of £3,750.