FELIXSTOWE INTERNATIONAL
E-WHA LIMITED

REPORT & ACCOUNTS
YEAR ENDED 31 AUGUST 2000.

REGISTERED NO:- 3028676

FELIXSTOWE INTERNATIONAL E-WHA LIMITED

Directors:	J. Lee P.W. Lee E.C. Lee
Secretary and Registered Office	J. Lee Maybush Lane Felixstowe Suffolk. IP11 7NA.
Company No:	3028676.
Auditor:	P.J. Seal FCA. Norwich
Bankers:	Barclays Bank plc. P.O. Box 1. 32 Bridge Street. Banbury. Oxfordshire. OX16 8PS.

FELIXSTOWE INTERNATIONAL E-WHA LIMITED

REPORT OF THE DIRECTORS

YEAR TO 31st AUGUST 2000.

The Directors submit their Annual Report and Audited Accounts for the year ended 31st August 2000.

PRINCIPAL ACTIVITY

The principal activity of the Company during the year has been the operation of Felixstowe International College providing educational services to foreign students.

REVIEW OF THE BUSINESS AND FUTURE DEVELOPMENTS

Details of the results of the year show a profit for the year of £.11,896. (1999 loss £13,153.)

On 6th January 1999 the Company entered into a Creditors Voluntary Agreement with it's Creditors as it was considered by the Directors that such an arrangement was in the best interests of the Creditors, as the alternative was for the Company to be placed in liquidation.

The Directors took steps, following the approval of the CVA on 6th January 1999 to ensure that both operating costs are controlled and student numbers increase to a level at which profitability can be achieved. As part of the cost control exercise the Company relocated to a smaller premises in August 1999.

FIXED ASSETS

The movements in tangible fixed assets during the year are set out in Note 7 to the Accounts.

FELIXSTOWE INTERNATIONAL E-WHA LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS AND THEIR INTERESTS

The Directors who served during the year are detailed on Page 1 and the interests in the shares of the Company of those serving at the end of the year were as follows;

	At 31.8.00 Ordinary Shares of £1 each	At 31.8.99 Ordinary Shares at £1 each
J. Lee	10,000	10,000.

AUDITOR

Mr. P.J. Seal FCA. has expressed a willingness to continue in office.

By order of the Board.

Company Secretary

FELIXSTOWE INTERNATIONAL
E-WHA LIMITED

STATEMENT OF 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;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts.

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 accounts 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.

Director

FELIXSTOWE INTERNATIONAL
E-WHA LIMITED

REPORT OF THE AUDITOR TO THE MEMBERS

I have audited the accounts on pages 7 to 13 which have been prepared under the Historical Cost Convention and the accounting policies set out on pages 9 and 10.

Respective Responsibilities of Directors and Auditors.

As described on page 4 the Company's Directors are responsible for the preparation of accounts. It is my responsibility to form an independent opinion, based upon my audit, on those accounts and to report my opinion to you.

Basis of Opinion

I conducted my 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 accounts. It also includes an assessment of the significant estimates and judgements made by the Directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the Company's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the accounts are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the accounts.

FELIXSTOWE INTERNATIONAL E-WHA LIMITED

REPORT OF THE AUDITOR TO THE MEMBERS (CONTINUED)

Fundamental Uncertainty

As disclosed in Notes 1 and 14 to the Accounts, the Company on the 6th January 1999 entered into a Creditors Voluntary Arrangement with its Creditors. If the Company does not maintain it's financial obligations under the CVA the consequence would be that the going concern basis would no longer be appropriate. This would result both in additional liabilities and a reduction in value in the Company's fixed assets, the amounts of which cannot be quantified. Details of the financial obligations under the CVA are set out in Note 14 to the Accounts. My opinion is not qualified in respect of this matter.

Opinion

In my opinion the accounts give a true and fair view of the state of the Company's affairs as at 31st August 2000 and of it's loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

P.J. Seal FCA
Registered Auditor
Chartered Accountant

28 June 2001

FELIXSTOWE INTERNATIONAL
E-WHA LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31st AUGUST 2000.

	Notes	2000	1999
		£	£
Turnover	2.	267729.	113839.
Establishment Expenses		(112063)	(56110)
Administrative Expenses		(144109)	(70663)
Operating Loss	3.	11552.	(12934)
Interest Receivable		344.	24.
		11896.	(12910)
Interest Payable	4.	-	(243)
Profit/(Loss) on Ordinary Activities before tax	12	11896.	(13153)
Corporation Tax		56	- .
Profit/(Loss) on Ordinary Activities after tax		11842	(13153)
Loss Brought Forward		(755429)	(742276)
Loss Carried Forward		(743587)	(755429)

The notes on pages 9 to 13. form part of these accounts.

A separate statement of recognised gains and losses has not been prepared as the Company has no recognised gains and losses other than the profit for the year.

FELIXSTOWE INTERNATIONAL
E-WHA LIMITED.

BALANCE SHEET
AS AT 31st AUGUST 2000.

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible Assets	7.	19056	25406
CURRENT ASSETS			
Debtors	8.	5474 -	-
Cash at Bank		22877.	13687
		28351.	13687
CREDITORS			
Amounts falling due within one year	9.	70596.	59124
Net Current Liabilities		(42245)	(45437)
TOTAL ASSETS LESS CURRENT LIABILITIES		(23189)	(20031)
CREDITORS			
Amounts falling due after more than one year	10	(710398)	(725398)
		(733587)	(745429)
CAPITAL & RESERVES			
Called up share capital	11	10000	10000
Profit and Loss account	12	(743587)	(755429)
		(733587)	(745429)

The accounts on pages 7 to 13 were approved by the Board of Directors on 28.6.2001 and are signed on it's behalf below.
The whole of the deficit on reserves is attributable to equity interests.

_____________________ Director

FELIXSTOWE INTERNATIONAL
E-WHA LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 31st AUGUST 2000.

1. ACCOUNTING POLICIES

a) Basis of Accounting

The Accounts have been prepared in accordance with the Historical Cost Convention. The principal accounting policies which the Directors have adopted within that Convention are set out below. Exemption has been taken from preparing a cash flow statement under FRS 1 on the grounds that the Company qualifies as a small Company.

b) Going Concern

The Accounts have been prepared on the Going Concern Basis on the assumption that the Company will comply with the terms of the Creditors Voluntary Arrangement, the details of which are set out in Note 14 to the Accounts.

The Going Concern basis is on the assumption that the Company will comply with the terms of the CVA. If the Company fails to maintain it's financial obligation under the CVA then the Going Concern basis would no longer be appropriate and the fixed assets shown in the accounts may be worth less than book value. They would also have to be re-categorised at realisable value, as current assets.

c) Turnover

Turnover represents amounts invoiced by the Company in respect of services rendered.

d) Depreciation

Depreciation is provided at rates calculated to write off the cost or valuation less estimated residual values of each asset over the expected useful life as follows:

Pre-trading Expenditure	50% on a straight line basis.
Improvements to Leasehold land and buildings	Over the period of the lease.
Fixtures and Fittings	25% on a reducing balance basis.

FELIXSTOWE INTERNATIONAL E-WHA LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

e) Foreign Currencies

Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Balance Sheet date. Transactions in foreign currencies are recorded at the rates ruling at the date of the transactions. All differences are taken to the Profit and Loss account.

2. TURNOVER

The whole of the Company's turnover during the year arose in the United Kingdom.

3. OPERATING PROFIT

The operating profit (loss) is stated after charging

	2000	1999
Depreciation	6350	8467
Auditors Emoluments	320	280
	======	======

4. INTEREST PAYABLE

Loan Interest	-	-
Bank Overdraft Interest	-	243
	======	=======

5. EMPLOYEES AND DIRECTORS

Staff costs including Directors amounted to:

Wages & Salaries	106421	33298
Social Security costs	4652	4234
Other Pension costs	2302	1439
	113375.	38971

Directors emoluments were £17158 (£ nil 1999)

The pension contribution represents payment to The Teachers Pension Fund on behalf of an employee. This fund is administered independantly of the Company.

FELIXSTOWE INTERNATIONAL E-WHA LIMITED

NOTES TO THE ACCOUNTS (CONTINUED)

6. TAXATION	2000	1999
Corporation Tax 20%/10%	54	-

There are unrelieved losses of approximately £620,000. (1999 £630,000) which are available to set off against future trading profits subject to agreement by the Inland Revenue.

7. TANGIBLE FIXED ASSETS

	Pre-trading Expenditure	Improvements to leasehold land and buildings	Fixtures fittings & equipment	Total
	£	£	£	£
Cost				
At 1.9.99.	27975.	31447.	62730.	122152.
Additions	-	-	-	-
At 31.8.00	27975.	31447.	62730.	122152.
Depreciation				
At 1.9.99	27975.	31443.	37328.	96746.
Additions	-	-	6350.	6350.
At 31.8.00	27975	31443	43678	103096.
Net Book Value				
At 31.8.00	-	4.	19052	19056
At 31.8.99		4.	25402.	25406.

	2000	1999
8. DEBTORS		
Trade Debtors	5474	-
9. CREDITORS		
Amounts falling due within one year		
Bank loans & Overdrafts	-	-
Trade Creditors (post CVA)	3620.	4864.
Creditors (pre CVA)	15000.	15000.
Accruals & Deferred Income	51922.	39260.
Corporation Tax	54.	-
	70596.	59124.