

BESTMACRO LTD.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2005

Company registration number :3317283



BESTMACRO LTD
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FOR THE YEAR ENDED 30 JUNE 2005

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DIRECTORS REPORT

BESTMACRO LTD

The Directors present herewith their report and the financial statements for the year ended 30 June 2005.

Statement of 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 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.

Results and dividends

The directors are very proud of their achievement after only one year of replacing the previous management. Whilst on the negative side turnover declined, a feature common in this industry, on the positive side both trading and overhead expenses were extremely well managed. Both gross and net profit margins were increased. A major part of the improvement is as a result of the directors' taking on extra work previously done by other employees. This reduced total staff costs by £33,302 (a 29.6% reduction). The directors feel that the decision to pay dividends of £17,080 during the year was justified. A reserve for corporation tax of £1,065 has been made in addition to deferred taxation provision of £1,415.

Review of the business

The company's principal activity continues to be that of fast food caterers and restaurateurs. The directors believe that there is potential for further cost improvements. Efforts are also being concentrated on increasing income although they feel this is not entirely under their control.

Directors and their interests

The directors of the company and their interest in its share capital were as follows

	<u>30.6.2005</u>	<u>1.7.2004</u>
Mr. F Henderson	50	90
Mrs S Henderson	50	10

Fixed assets


Details of fixed assets and any changes therein are detailed in notes 8 and 9 page 8.

This report was approved by the board on 20 October 2005 and signed on its behalf.

F Henderson  Director

BESTMACRO LTD
ACCOUNTANTS REPORT
TO THE DIRECTORS OF THE COMPANY
ON THE UNAUDITED ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

As described on the Balance Sheet you are responsible for the preparation of the accounts for the year ended 30 June 2005, set out on pages 3 to 10 and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited accounts from the accounting records and information and explanations supplied to us purely for the purpose of assisting you to fulfil your statutory responsibilities

K. Kypri, FCCA.  13 October 2005
For Alliance Accountancy
(Chartered Certified Accountants and registered auditors).

'Olympus House',
Camp Road,
Woldingham,
Surrey,
CR3 7LH.

BESTMACRO LIMITED**T/A 'FRANK'S'****PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 JUNE 2005

	<u>2005</u>	<u>2004</u>
<u>Turnover</u>	231,472	254,637
<u>Less Cost of sales:</u>	<u>99,243</u>	<u>(106,896)</u>
<u>GROSS PROFIT</u>	132,229	147,741
Other income:		
Rent from hoarding	1,125	700
Telephone coin box collections	-	115
Rent from flat above shop	<u>3,750</u>	<u>-</u>
	137,104	148,556
<u>Less Net operating expenses</u>	<u>123,134</u>	<u>167,843</u>
<u>Operating Profit/Loss</u>	13,970	(19,287)
Interest payable	<u>564</u>	<u>(37)</u>
<u>Profit/Loss on ordinary activities</u>		
<u>before taxation</u>	13,406	(19,324)
Shareholders' Dividends paid	<u>17,080</u>	<u>-</u>
Surplus after dividend distribution	(3,674)	(19,324)
Less Tax on ordinary activities	-	-
Less Tax on Non Corporate Distributions	1,065	-
Less Provision for deferred taxation	<u>1,415</u>	<u>-</u>
<u>Surplus on ordinary activities</u>		
<u>after taxation and dividend distribution</u>	(6,154)	(19,324)
Corporation tax on losses (2004)	-	(4,005)
Profit and Loss Account balance B/F	49,772	14,328
Surplus in liquidated subsidiary	<u>(5,204)</u>	<u>58,773</u>
<u>Profit and Loss Account balance taken</u>		
<u>To Reserves</u>	<u>£38,414</u>	<u>£49,772</u>

BESTMACRO LTD
BALANCE SHEET AS AT 30 JUNE, 2005

Notes		<u>2005</u>	<u>2004</u>
	<u>Fixed Assets</u>		
8	Intangible assets	45,600	49,400
9	Tangible assets	12,092	20,098
10	Investments	<u>-</u>	<u>-</u>
		57,692	69,498
	<u>Current assets</u>		
11	Stock-for resale	4,043	3,033
12	Debtors	5,375	2,057
	Cash at bank and in hand	<u>251</u>	<u>185</u>
		9,669	5,275
13	<u>Less Creditors</u>		
	Amount due within one year	<u>28,847</u>	<u>24,901</u>
	<u>Net Current Liabilities</u>	<u>(19,178)</u>	<u>(19,626)</u>
	<u>Total Net Assets</u>	<u>£38,514</u>	<u>£49,872</u>
	<u>Financed By:</u>		
	<u>Capital and Reserves</u>		
14	Called up share capital	100	100
15	Profit and Loss Account	<u>38,414</u>	<u>49,772</u>
	<u>Total Shareholders Funds</u>	<u>£38,514</u>	<u>£49,872</u>

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 under section 249B(2).

The directors acknowledge their responsibility for;

Ensuring that the company keeps accounting records which comply with S221 of the Companies Act 1985 and

Preparing accounts which give a true and fair view of the state of affairs of the company as at 30 June 2005 and its profit for the period then ended in accordance with the requirements of section 226, and which otherwise comply with the Act relating to the accounts so far as applicable to the company.

The directors have taken advantage, in the preparation of these accounts, of the exemptions available under Part 1 of Schedule 8 to the Companies Act 1985 on the grounds that the company qualifies as a small company.

The financial statements were approved by the board on 20 October 2005 and signed on its behalf.

Mr. Frank Henderson.  Director

BESTMACRO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2005

1. ACCOUNTING POLICIES

1a. Basis of accounting

The accounts have been prepared under the historical cost convention, and are in accordance with applicable accounting standards.

1b. Intangible fixed assets

Purchased goodwill is capitalised and amortised at a rate of 5% per annum,

1c. Tangible fixed assets

Fixed assets are shown at historical cost.

Depreciation is provided in order to write each asset down to its estimated residual value over its expected useful life. Depreciation is calculated on the cost or net book value dependent on the asset at the following annual rates:

	<u>2005</u> %	<u>2004</u> %
Improvements to premises	10	10
Motor vehicles	25	25
Equipment	20	20

1d. Investments

Fixed asset investments are shown at cost less amounts written off. Provisions are made for temporary fluctuations in value.

1e. Stocks

Stocks are stated at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition is based on purchase cost on a first-in, first-out basis.

1f. Taxation

Corporation tax payable is provided on taxable profits at the current rate.

Provision is made for Deferred Taxation for the timing differences between the treatment of certain items for taxation and accounting purposes. The tax rate used is the average rate expected to apply in the periods when the timing differences are expected to reverse.

1g. Turnover

Turnover comprises the value of sales (excluding VAT and similar taxes and trade discounts) of goods and services in the normal course of business.

BESTMACRO LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

1.ACCOUNTING POLICIES (CONTINUED)

lh. Cash flow statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company as defined by section 247 of the Companies Act 1985.

2. TURNOVER

Turnover and loss on ordinary activities before taxation are attributable to that of fast food caterers and restaurateurs.

3. COST OF SALES AND NET OPERATING EXPENSES

	<u>2005</u>	<u>2004</u>
	£	£
Cost of sales	<u>99,243</u>	<u>106,896</u>
Net operating expenses:		
Promotion/Distribution costs	425	100
Administrative expenses	116,496	158,888
Depreciation	6,777	8,855
Other operating income	<u>(4,875)</u>	<u>(815)</u>
	<u>£118,823</u>	<u>167,028</u>

4. OPERATING PROFIT/LOSS

	<u>2005</u>	<u>2004</u>
	£	£
Profit/Loss on ordinary activities is stated after charging:		
Depreciation and amortisation on Goodwill	3,800	3,800
Depreciation on tangible assets owned	2,977	5,055
Staff costs	<u>79,211</u>	<u>112,513</u>
and after crediting:		
Other income of	<u>4,875</u>	<u>815</u>

5.DIRECTORS' EMOLUMENTS

	<u>2005</u>	<u>2004</u>
	£	£
Directors' remuneration, benefits in kind and pension	<u>35,133</u>	<u>48,704</u>

BESTMACRO LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
UK Corporation tax arising on profit/losses for the year	-
Adjustment for taxation in respect of prior years	-
UK Corporation tax on Non Corporation Distributions for the year	<u>1,065</u>	-
	<u>1,065</u>	-

There were excess Non Corporate Distributions of £15,483 not matched with the current year's profit which have been carried forward to be taxed in future years.

Deferred tax:

Origination and reversal of timing differences	<u>1,415</u>
Profit and Loss Account Reserve	<u>2,480</u>	-

The company has no tax losses available for set off against future trading profits.

7. FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The difference between the tax assessed for the year and the standard rate of corporation tax are explained as follows:

	<u>2005</u>	<u>2004</u>
	<u>13,406</u>	<u>(19,324)</u>
Profit/Loss on ordinary activities before tax		
Standard rate of corporation tax in the UK	<u>19%</u>	<u>19%</u>
	<u>£</u>	<u>£</u>
Profit/Loss on ordinary activities multiplied by the standard rate of corporation tax	2,547	(3,672)
Effects of:		
Expenses not deductible for tax purposes	890	725
Capital allowances for the period in excess of depreciation	<u>290</u>	<u>283</u>
Tax on /profits/losses of the year	1,065	2,663
Adjustments to tax charge in respect of previous periods	-
<u>Current tax charge for the year</u>	<u>1,065</u>	<u>.....</u>

Deferred taxation

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Accelerated capital allowances	<u>2,480</u>
<u>Undiscounted provision for deferred tax</u>	<u>2,480</u>	<u>Nil</u>

	<u>2005</u>	<u>2004</u>
	<u>£</u>	<u>£</u>
Provision as at beginning of the year	-
Deferred tax charged to the profit and loss account	<u>1,415</u>
<u>Balance as at the end of the year</u>	<u>1,415</u>	<u>.....</u>

There was no unprovided deferred taxation as at 30 June 2005

BESTMACRO LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

8. INTANGIBLE FIXED ASSETS

		<u>Goodwill</u>	<u>Total</u>
<u>Cost</u>			
At 1 July 2004	B/F	76,000	76,000
At 30 June 2005	C/F	<u>76,000</u>	<u>76,000</u>
<u>Depreciation</u>			
At 1 July 2004		26,600	26,600
Charged in the year		<u>3,800</u>	<u>3,800</u>
At 30 June 2005		<u>30,400</u>	<u>30,400</u>
<u>Net Book Value</u>			
At 30 June 2004		<u>49,400</u>	<u>49,400</u>
At 30 June 2005		<u>45,600</u>	<u>45,600</u>

9. TANGIBLE FIXED ASSETS

	<u>Freehold</u>	<u>Plant & Equipment</u>	<u>Motor Vehicles</u>	<u>Office Furniture & Machines</u>	<u>Total</u>
	£	£	£		£
<u>Cost</u>					
At 1 July 2004	1,515	79,184	2,000	116	82,815
Additions	-	891	-	249	1,140
Disposals	<u>-</u>	<u>(6,169)</u>	<u>-</u>	<u>-</u>	<u>(6,169)</u>
At 30 June 2005	<u>1,515</u>	<u>73,906</u>	<u>2,000</u>	<u>365</u>	<u>77,786</u>
	-		-		
<u>Depreciation</u>					
At 1 July 2004	429	61,384	875	29	62,717
Charge in the year	<u>108</u>	<u>2,504</u>	<u>281</u>	<u>84</u>	<u>2,977</u>
At 30 June 2005	<u>537</u>	<u>63,888</u>	<u>1,156</u>	<u>113</u>	<u>65,694</u>
	-		-		
<u>Net Book Values</u>					
<u>At 30 June 2004</u>	<u>1,086</u>	<u>17,800</u>	<u>1,125</u>	<u>87</u>	20,098
<u>At 30 June 2005</u>	<u>978</u>	<u>10,018</u>	<u>844</u>	<u>252</u>	<u>12,092</u>

BESTMACRO LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

10. FIXED ASSET INVESTMENTS

The company owned 100% of the issued ordinary share capital of Sectionflow Limited, an unlisted company incorporated and registered in England. The assets of that company were sold and its liabilities settled in an earlier accounting period. The tax on the sale having been settled, the subsidiary was liquidated in 2004 and the surplus of funds transferred to reserves. In 2005, Hitherto unforeseen Legal fees of £5,204 had to be paid and these have been deducted from reserves where the surplus on liquidation was previously credited.

11 STOCK

	<u>2005</u> £	<u>2004</u> £
This comprises:		
Stock of goods for resale	3,557	1,996
Stock of bags and wrapping	255	700
Stock of laundry and cleaning materials	<u>231</u>	<u>377</u>

12 DEBTORS

	<u>2005</u> £	<u>2004</u> £
Called up share capital unpaid	100
Staff loan	3,215	-
Other debtors	176	-
Prepayments	<u>1,984</u>	<u>1,957</u>
	<u>5,375</u>	<u>2,057</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>2005</u> £	<u>2004</u> £
Bank loans and overdrafts	8,928	13,688
Social security and other taxes	7,053	6,844
Trade creditors	9,309	-
Director's loan	32	-
Accruals	<u>3,525</u>	<u>4,369</u>
	<u>28,847</u>	<u>24,901</u>

14 CALLED UP SHARE CAPITAL

	<u>2005</u> £	<u>2004</u> £
<u>Authorised:</u>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<u>Allotted and called up:</u>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

All shares were fully paid up.

The entire share capital of the company is made up of ordinary shares, with one vote attaching to each issued share. Dividends on these shares are determined by the shareholders in general meeting. On a winding up, ordinary shareholders are entitled to the residue after all liabilities have been paid.

BESTMACRO LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2005

15 LEASE COMMITMENTS

The company has entered into non-cancelable leases and is committed to making the following payments:

	2005	2004
	£	£
Property whose lease expires:		
-after 5 years	<u>15,000</u>	<u>19,704</u>

There was a backdated rent review agreement during the year ended 31.6.2004 and the year's charge contains arrears of £7,875. The new agreed annual charge is £15,000.

16 RELATED PARTY TRANSACTIONS

The company is controlled by its directors whose names and shareholdings are disclosed in the directors' report.

There were no material transactions during the year between the company and its related parties requiring disclosure by Financial Reporting Standard No 8.