

BESTMACRO LTD.

FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2004

Company registration number :3317283



BESTMACRO LTD
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FOR THE YEAR ENDED 30 JUNE 2004

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DIRECTORS REPORT

BESTMACRO LTD

The Directors present herewith their report and the financial statements for the year ended 30 June 2004.

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 company made a loss during the year and accordingly the directors do not recommend the payment of a dividend out of this year's results.

Review of the business

The company's principal activity continues to be that of fast food caterers and restaurateurs.

Directors and their interests

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

	<u>30.6.2004</u>	<u>1.7.2003</u>
Mr. F Henderson	90	50
Mrs S Henderson	10	-
Mr. D King	-	50

Fixed assets

Details of fixed assets and any changes therein are detailed in note 9.

This report was approved by the board on 10 April 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 2004

As described on the Balance Sheet you are responsible for the preparation of the accounts for the year ended 30 June 2004, 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.  5 April 2005
For Alliance Accountancy
(Chartered Certified Accountants and registered auditors).

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

BESTMACRO LIMITED**T/A 'FRANK'S'****PROFIT AND LOSS ACCOUNT**
FOR THE YEAR ENDED 30 JUNE 2004

	<u>2004</u>	<u>2003</u>
<u>Turnover</u>	254,637	252,610
<u>Less Cost of sales:</u>	<u>(106,896)</u>	<u>(109,693)</u>
<u>GROSS PROFIT</u>	147,741	142,917
Other income:		
Rent from hoarding	700	
Telephone coin box collections	115	
Supplement on tax paid early	-	2
	148,556	142,919
<u>Less Net operating expenses</u>	<u>167,843</u>	<u>168,073</u>
<u>Operating Loss</u>	<u>(19,287)</u>	<u>(25,156)</u>
Interest payable	(37)	(1,390)
<u>Loss on ordinary activities before taxation</u>	<u>(19,324)</u>	<u>(26,546)</u>
Less Tax on ordinary activities	-	2,157
<u>Loss on ordinary activities</u>		
<u>after taxation</u>	<u>(19,324)</u>	<u>(24,389)</u>
Corporation tax on losses (2003)	(4,005)	-
Profit and Loss Account balance B/F	14,328	38,717
Surplus in liquidated subsidiary	58,773	-
<u>Profit and Loss Account balance taken</u>		
<u>To Reserves</u>	<u>£49,772</u>	<u>£14,328</u>

BESTMACRO LTD
BALANCE SHEET AS AT 30 JUNE, 2004

Notes		<u>2004</u>	<u>2003</u>
	<u>Fixed Assets</u>		
8	Intangible assets	49,400	53,200
9	Tangible assets	20,098	23,931
10	Investments	<u>-</u>	<u>28,535</u>
		69,498	105,666
	<u>Current assets</u>		
11	Stock	3,033	4,007
12	Debtors	2,057	8,797
	Cash at bank and in hand	<u>185</u>	<u>10,059</u>
		<u>5,275</u>	<u>22,863</u>
13	<u>Less Creditors</u>		
	Amount due within one year	<u>24,901</u>	<u>114,101</u>
	<u>Net Current Liabilities</u>	<u>(19,626)</u>	<u>(91,238)</u>
	<u>Total Net Assets</u>	<u>£49,872</u>	<u>£14,428</u>
	<u>Financed By:</u>		
	<u>Capital and Reserves</u>		
14	Called up share capital	100	100
15	Profit and Loss Account	<u>49,772</u>	<u>14,328</u>
	<u>Total Shareholders Funds</u>	<u>£49,872</u>	<u>£14,428</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 2004 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 10 April 2005 and signed on its behalf.

Mr. Frank Henderson.  Director

BESTMACRO LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 30 JUNE 2004

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>2004</u>	<u>2003</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 2004

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>2004</u>	<u>2003</u>
	£	£
Cost of sales	<u>106,896</u>	<u>109,693</u>
Net operating expenses:		
Distribution costs	100	85
Administrative expenses	8,855	158,218
Depreciation	158,888	9,772
Other operating income	<u>(815)</u>	<u>(2)</u>
	<u>£167,028</u>	<u>168,073</u>

4. OPERATING LOSS

	<u>2004</u>	<u>2003</u>
	£	£
Loss on ordinary activities is stated after charging:		
Depreciation and amortisation on Goodwill	3,800	3,800
Depreciation on tangible assets owned	5,055	5,972
Staff costs	<u>112,513</u>	<u>115,465</u>
and after crediting:		
Supplement on tax paid early	<u>-</u>	<u>2</u>

5.DIRECTORS' EMOLUMENTS

	<u>2004</u>	<u>2003</u>
	£	£
Directors' remuneration, benefits in kind and pension	<u>48,704</u>	<u>59,025</u>

BESTMACRO LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004

6. TAX ON LOSS ON ORDINARY ACTIVITIES

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
UK Corporation tax arising on losses for the year	-	(4,005)
Adjustment for taxation in respect of prior years	-	284
	-	<u>(3,721)</u>
Deferred tax:		
Origination and reversal of timing differences	-	1,564
Tax on loss on ordinary activities	-	<u>(2,157)</u>

The company has tax losses of £14,015 available for set off against future trading profits. No deferred tax provision is required as losses exceed accelerated capital allowances.

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>2004</u>	<u>2003</u>
	<u>(19,324)</u>	<u>(26,545)</u>
Loss on ordinary activities before tax		
Standard rate of corporation tax in the UK	19%	19.83%
	<u>£</u>	<u>£</u>
Loss on ordinary activities multiplied by the standard rate of corporation tax	(3,672)	(5,264)
Effects of:		
Expenses not deductible for tax purposes	725	726
Capital allowances for the period in excess of depreciation	283	983
Tax on losses of the year	2,663	-
Adjustments to tax charge in respect of previous periods	-	284
<u>Current tax charge/(refund) for the year</u>	<u>-</u>	<u>(3,721)</u>

Deferred taxation

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Accelerated capital allowances	-	1,564
Undiscounted provision for deferred tax	<u>£ -</u>	<u>1,564</u>
	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Provision as at beginning of the year	-	(1,564)
Deferred tax charged to the profit and loss account	-	1,564
Balance as at the end of the year	<u>-</u>	<u>-</u>

There was no unprovided deferred taxation as at 30.June.2004

BESTMACRO LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004

8. INTANGIBLE FIXED ASSETS

		<u>Goodwill</u>	<u>Total</u>
<u>Cost</u>			
At 1 July 2003	B/F	76,000	76,000
At 30 June 2004	C/F	<u>76,000</u>	<u>76,000</u>
<u>Depreciation</u>			
At 1 July 2003		22,800	22,800
Charged in the year		<u>3,800</u>	<u>3,800</u>
At 30 June 2004		<u>26,600</u>	<u>26,600</u>
<u>Net Book Value</u>			
At 30 June 2003		<u>53,200</u>	<u>53,200</u>
At 30 June 2004		<u>49,400</u>	<u>49,400</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 2003	1,200	78,393	2,000	-	81,593
Additions	<u>315</u>	<u>791</u>	<u>-</u>	<u>116</u>	<u>1,222</u>
At 30 June 2004	<u>1,515</u>	<u>79,184</u>	<u>2,000</u>	<u>116</u>	<u>82,815</u>
	-		-		
<u>Depreciation</u>					
At 1 July 2003	228	56,934	500	-	57,662
Charge in the year	<u>201</u>	<u>4,450</u>	<u>375</u>	<u>29</u>	<u>5,055</u>
At 30 June 2004	<u>429</u>	<u>61,384</u>	<u>875</u>	<u>29</u>	<u>62,717</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>	<u>20,098</u>
<u>At 30 June 2003</u>	<u>972</u>	<u>21,459</u>	<u>1,500</u>	<u>-</u>	<u>23,931</u>

BESTMACRO LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2004

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 the current year and the surplus of funds transferred to reserves.

11 STOCK

	2004	2003
	£	£
This comprises:		
Stock of goods for resale	1,996	4,007
Stock of bags and wrapping	700	-
Stock of laundry and cleaning materials	<u>337</u>	<u>-</u>

12 DEBTORS

	2004	2003
	£	£
UK Corporation tax	-	4,005
Called up share capital unpaid	100	100
Prepayments	<u>1,957</u>	<u>4,692</u>
	<u>2,057</u>	<u>8,797</u>

13 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Bank loans and overdrafts	13,688	-
Amounts owed to group company	-	90,805
Social security and other taxes	6,844	13,302
Trade creditors	-	7,904
Other creditors	-	190
Accruals	<u>4,369</u>	<u>1,900</u>
	<u>24,901</u>	<u>114,101</u>

14 CALLED UP SHARE CAPITAL

	2004	2003
	£	£
<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>

There were no fully paid up shares

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 2004

15 LEASE COMMITMENTS

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

	2004	2003
	£	£
Property whose lease expires:		
-after 5 years	<u>19,704</u>	<u>10,500</u>

There was a backdated rent review agreement during the year and the current 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.