

PANDEMIC PROJECTS LTD

DIRECTOR'S REPORT AND FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 30/9/99



COMPANY NO : 3438858

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| The following pages do not form part of the statutory accounts: | |
| Detailed trading and profit and loss account | 8 |

The director present his report and the financial statements for the period ended

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statement for each financial year which give a true and fair view of the state of affairs of the company and of the profit and loss of the company for that period. In preparing those financial statements, the director is required to:

- (a) select suitable accounting policies and then apply them consistently;
- (b) make judgments and estimates that are reasonable and prudent;
- (c) prepare the financial statement on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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

The director who served during the period and his interests, including family interest, in the company's issued share capital was :

| | Ordinary shares of £1 each | |
|--------------|-----------------------------|-----------------------------------|
| | At the end of the period | At the beginning of the period |
| C HUTCHINSON | 2 | 2 |

SMALL COMPANY EXEMPTIONS

This report, which has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, was approved by the board on 21st July 2000 and signed on its behalf.



Director

The director present his report and the financial statements for the period ended

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Director

PANDEMIC PROJECTS LTD
ACCOUNTANTS' REPORT OF THE UNAUDITED ACCOUNTS
TO THE DIRECTOR

Page 2

As described on the balance sheet you are responsible for the compilation of the accounts for the year ended 30th September 1999 set out on pages 3 to 7, 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 fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



John S Ward & Co
5 Somerset Place
TEIGNMOUTH
Devon
TQ14 8EP

PANDEMIC PROJECTS LTD
 PROFIT AND LOSS ACCOUNT
 FOR THE PERIOD ENDED 30 SEPTEMBER 1999

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| | NOTE | 1999 | 1998 |
|--|------|--------------------|--------------------|
| TURNOVER | 1 | 54888 | 40761 |
| Administrative expenses | | <u>54936</u> | <u>33166</u> |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | -46 | 7595 |
| TAXATION | 4 | <u>0</u> | <u>1595</u> |
| PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION | | -46 | 6000 |
| DIVIDENDS | 5 | <u>0</u> | <u>0</u> |
| PROFIT CARRIED FORWARD | | <u><u>5954</u></u> | <u><u>6000</u></u> |

There were no recognised gains or losses for 1999 other than those included in the profit and loss account.

The notes on pages 5 to 7 form part of these financial statements.

PANDEMIC PROJECTS LTD
BALANCE SHEET
AT 30 SEPTEMBER 1999

Page 4

| | NOTE | 1999 | 1998 |
|---|------|-------------|-------------|
| FIXED ASSETS | | | |
| Tangible fixed assets | 6 | 7870 | 8493 |
| CURRENT ASSETS | | | |
| Debtors | | 5572 | 0 |
| Cash at bank and in hand | | 2159 | 5003 |
| | | <u>7731</u> | <u>5003</u> |
| CREDITORS: amounts falling due within one year | 8 | <u>9645</u> | <u>7494</u> |
| NET CURRENT LIABILITIES | | -1914 | -2491 |
| | | <u>0</u> | <u>0</u> |
| NET ASSETS | | <u>5956</u> | <u>6002</u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 9 | 2 | 2 |
| Profit and loss account | | <u>5954</u> | <u>6000</u> |
| | | <u>5956</u> | <u>6002</u> |

The director considers that the company is entitled to exemption from the requirements to have an audit under the provisions of section 249A (1) of the Companies Act 1985 and that no shareholders holding 10% or more of the company's share capital have requested an audit pursuant to Section 249(B)(2). The director acknowledges his responsibility for ensuring that the company keeps accounting records which comply with section 221, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit for the year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements so far as applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies, were approved by the board on 21 July 2000 and signed on its behalf.

G Hutchinson

Director

The notes on pages 5 to 7 form part of these financial statements

1 ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and include the results of the company's operations which are described in the Director's Report and which were discontinued in the period.

The company has taken advantage of the exemption in Financial Reporting Standard No.1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

| | |
|------------------|----------------------|
| Vehicle | 25% reducing balance |
| Office equipment | 25% reducing balance |

2 OPERATING PROFIT

1999 1998

The operating profit is stated after charging:

Depreciation of tangible fixed assets
owned by the company

2623 2831

3 DIRECTOR'S REMUNERATION

Emoluments for services as director

3860 3708

4 TAXATION

Current year taxation
UK Corporation Tax at 21%

0 2645

| | | 1999 | 1998 | |
|---|-----------------|-------------|--------------|--------------|
| 5 | DIVIDENDS | | | |
| | Paid | <u>0</u> | <u>0</u> | |
| 6 | TANGIBLE ASSETS | | | |
| | | OFFICE EQIP | VEHICLE | TOTAL |
| | Cost | 1324 | 10000 | 11324 |
| | additions | 2000 | | 2000 |
| | At 31/3/99 | <u>3324</u> | <u>10000</u> | <u>13324</u> |
| | Depreciation | 331 | 2500 | 2831 |
| | | 748 | 1875 | 2623 |
| | At 31/3/99 | <u>1079</u> | <u>4375</u> | <u>5454</u> |
| | Net Book Value | | | |
| | At 31/3/99 | <u>2245</u> | <u>5625</u> | <u>7870</u> |
| 7 | DEBTORS | | | |
| | Debtors | <u>5572</u> | <u>0</u> | |

There are no fixed terms as to interest or repayment in respect of the Director's current account.

PANDEMIC PROJECTS LTD
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 30TH SEPTEMBER 1999

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| | 1999 | 1998 |
|--|-------------|-------------|
| 8 CREDITORS: Amounts falling due within one year | | |
| Creditors | 2850 | 255 |
| Directors loan account | 4920 | 5370 |
| Corporation Tax | 0 | 1595 |
| Accruals | 1875 | 274 |
| | <u>9645</u> | <u>7494</u> |
| 9 CALLED UP SHARE CAPITAL | | |
| Authorised 1000 ordinary shares of £1 each | <u>1000</u> | <u>1000</u> |
| Allotted, called up and fully paid 2 ordinary shares of £1 each | <u>2</u> | <u>2</u> |
| During the period 2 ordinary shares of £1 each were issued fully paid for cash at par. | | |
| 10 SHAREHOLDERS' FUNDS Reconciliation of movements on shareholders' funds | | |
| Opening funds | 6002 | 2 |
| Profit for the period | -46 | 6000 |
| Closing shareholders funds | <u>5956</u> | <u>6002</u> |