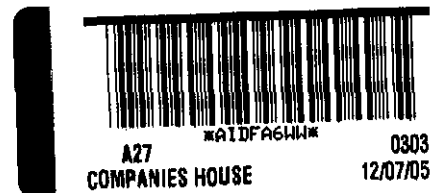


BUSINESS NEEDS (UK) LIMITED
REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

LEES
Chartered Certified Accountants
Ingram House
Meridian Way
Norwich
Norfolk
NR7 0TA



BUSINESS NEEDS (UK) LIMITED

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5
Report of the Accountants	8
Trading and Profit and Loss Account	9

BUSINESS NEEDS (UK) LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2004

DIRECTORS: S P Francis
Mrs C A Francis

SECRETARY: Mrs C A Francis

REGISTERED OFFICE: Ingram House
Meridian Way
Norwich
Norfolk
NR7 0TA

REGISTERED NUMBER: 3942270 (England and Wales)

ACCOUNTANTS: LEES
Chartered Certified Accountants
Ingram House
Meridian Way
Norwich
Norfolk
NR7 0TA

BUSINESS NEEDS (UK) LIMITED

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2004**

The directors present their report with the financial statements of the company for the year ended 31 December 2004.

PRINCIPAL ACTIVITIES

The principal activities of the company in the year under review were those of an internet company providing a business products catalogue on-line for customers wishing to source products from their local area. The company also provided a website link for customers wishing to source products from the local area. At the 31 December 2004 the company hived up the assets, liabilities and the trading activities to the holding company. This company has become dormant since the year end.

DIRECTORS

The directors during the year under review were:

S P Francis
Mrs C A Francis

The beneficial interests of the directors holding office on 31 December 2004 in the issued share capital of the company were as follows:

	31.12.04	1.1.04
Ordinary £1 shares		
S P Francis	-	1
Mrs C A Francis	-	1

The ordinary shares shown above are split into 'A' and 'B' shares. S P Francis held one 'A' ordinary share and Mrs C A Francis held one 'B' ordinary share in the previous year.

DIRECTORS INTERESTS IN THE PARENT COMPANY


The directors interests in the issued share capital of the parent company were as follows:

	31.12.04	1.1.04
Ordinary £1 shares		
S P Francis	52,001	52,000
Mrs C A Francis	24,001	24,000

The share capital of the holding company is designated as 'A', 'B' and 'C' ordinary £1 shares. Mr S P Francis has a beneficial interest in 52,001 Ordinary 'A' Shares and Mrs C A Francis has 24,001 Ordinary 'B' Shares.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


.....
Mrs C A Francis - Director

Date: 27/04/05
.....

BUSINESS NEEDS (UK) LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

		2004	2003
	Notes	£	£
TURNOVER		5,477	1,498
Cost of sales		-	35
GROSS PROFIT		5,477	1,463
Administrative expenses		(7,121)	8,073
OPERATING PROFIT/(LOSS)	2	12,598	(6,610)
Exceptional dividend	3	11,974	-
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		624	(6,610)
Tax on profit/(loss) on ordinary activities	4	108	(1,180)
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		516	(5,430)
(Deficit)/Retained profit brought forward		(516)	4,914
DEFICIT CARRIED FORWARD		-	£(516)

DISCONTINUED OPERATIONS

All of the company's activities were discontinued during the current year.

BUSINESS NEEDS (UK) LIMITED

**BALANCE SHEET
31 DECEMBER 2004**

		2004		2003	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		-		1,431
CURRENT ASSETS:					
Debtors	6	2		2,106	
Cash at bank		-		3,377	
		<u>2</u>		<u>5,483</u>	
CREDITORS: Amounts falling due within one year	7	-		<u>7,428</u>	
NET CURRENT ASSETS/(LIABILITIES):			<u>2</u>		<u>(1,945)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£2</u>		<u>£(514)</u>
CAPITAL AND RESERVES:					
Called up share capital	8		2		2
Profit and loss account			-		(516)
SHAREHOLDERS' FUNDS:			<u>£2</u>		<u>£(514)</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2004.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2004 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


S P Francis - Director

Approved by the Board on 27-4-2005

The notes form part of these financial statements

BUSINESS NEEDS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 33% on cost

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

2. OPERATING PROFIT/(LOSS)

The operating profit (2003 - operating loss) is stated after charging/(crediting):

	2004	2003
	£	£
Depreciation - owned assets	-	7,916
Profit on disposal of fixed assets	(7,597)	-
Website costs written off	-	7,916
	<u>-</u>	<u>7,916</u>
Directors' emoluments and other benefits etc	-	-
	<u>-</u>	<u>-</u>

3. EXCEPTIONAL ITEMS

Exceptional expenditure results from the dividend to the holding company removing all the company reserves as a result of the hive up of all assets, liabilities and trading activities to the holding company at the year end.

4. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit on ordinary activities for the year was as follows:

	2004	2003
	£	£
Current tax:		
Corporation tax previous year	108	-
Deferred taxation	-	(1,180)
	<u>108</u>	<u>(1,180)</u>
Tax on profit/(loss) on ordinary activities	<u>108</u>	<u>(1,180)</u>

BUSINESS NEEDS (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

5. TANGIBLE FIXED ASSETS

	Website	Computer equipment	Totals
	£	£	£
COST:			
At 1 January 2004	23,752	1,614	25,366
Disposals	(23,752)	(1,614)	(25,366)
	<hr/>	<hr/>	<hr/>
At 31 December 2004	-	-	-
	<hr/>	<hr/>	<hr/>
DEPRECIATION:			
At 1 January 2004	22,321	1,614	23,935
Eliminated on disposals	(22,321)	(1,614)	(23,935)
	<hr/>	<hr/>	<hr/>
At 31 December 2004	-	-	-
	<hr/>	<hr/>	<hr/>
NET BOOK VALUE:			
At 31 December 2004	-	-	-
	<hr/>	<hr/>	<hr/>
At 31 December 2003	<u>1,431</u>	<u>-</u>	<u>1,431</u>

6. DEBTORS

	2004 £	2003 £
Amounts falling due within one year:		
Trade debtors	-	1,998
Taxation recoverable	-	108
	<hr/>	<hr/>
	-	2,106
	<hr/>	<hr/>
Amounts falling due after more than one year:		
Due from the holding company	2	-
	<hr/>	<hr/>
Aggregate amounts	<u>2</u>	<u>2,106</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Other creditors	-	587
Directors' current accounts	-	18
V.A.T.	-	1,046
Accruals	-	5,777
	<hr/>	<hr/>
	-	7,428
	<hr/>	<hr/>

BUSINESS NEEDS (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2004

8. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2004 £	2003 £
Number:	Class:			
100	Ordinary	£1	100	100
			<u> </u>	<u> </u>
Allotted, issued and fully paid:				
Number:		Nominal value:	2004 £	2003 £
	Class:			
1	Ordinary	£1	2	2
			<u> </u>	<u> </u>

The company's issued share capital is split into ordinary 'A' and ordinary 'B' shares.

9. ULTIMATE PARENT COMPANY

The ultimate parent company is Eastern Storage Equipment (Holdings) Limited.

10. TRANSACTIONS WITH DIRECTORS

Creditors includes an amount due of £nil (2003 - £18) to S P Francis , a director of the company. Creditors also includes an amount of £nil (2003 - £587) due to Eastern Storage Equipment Limited a company in which S P Francis has an interest. Sales also includes a licence fee of £nil (2003 - £135) charged to this company for use of the company's website.

At the year end, the share capital of the company jointly owned by S P Francis and Mrs C A Francis, were transferred to Eastern Storage Equipment (Holdings) Limited in exchange for their shares in that company. The company is now a wholly owned subsidiary of that company. S P Francis and Mrs C A Francis are directors and shareholders of that company with Mr S P Francis holding a controlling shareholding in that company.

Following the aforementioned share transfer, the company paid an exceptional dividend to the holding company totalling £11,974 and at the same time transferred the assets, liabilities and trading activities to that company.

11. ULTIMATE CONTROLLING PARTY

The company is ultimately controlled by S P Francis by virtue of his 52% shareholding in the holding company Eastern Storage Equipment (Holdings) Limited.

BUSINESS NEEDS (UK) LIMITED

**REPORT OF THE ACCOUNTANTS TO THE DIRECTORS OF
BUSINESS NEEDS (UK) LIMITED**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2004 set out on pages three to seven and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

LEES
Chartered Certified Accountants
Ingram House
Meridian Way
Norwich
Norfolk
NR7 0TA

Date:

BUSINESS NEEDS (UK) LIMITED

**TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2004**

	2004		2003	
	£	£	£	£
Sales		5,477		1,498
Cost of sales:				
Computer costs		-		35
GROSS PROFIT		5,477		1,463
Expenditure:				
Sundry expenses	73		14	
Accountancy	353		88	
		426		102
		5,051		1,361
Finance costs:				
Bank charges		50		55
		5,001		1,306
Depreciation:				
Website amortisation		-		7,916
		5,001		(6,610)
Profit on disposal of fixed assets:				
Computer equipment		7,597		-
		12,598		(6,610)
Exceptional items:				
Exceptional dividend		(11,974)		-
NET PROFIT/(LOSS)		£624		£(6,610)