

DELLSTONE LIMITED
DIRECTORS' REPORT
FOR YEAR ENDED 30 JUNE 2000

FINANCIAL STATEMENTS

The Directors present their report and unaudited financial statements for year ended 30 June 2000.

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 and loss of the company for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the accounts 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 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.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was inspection engineering.

RESULTS AND DIVIDENDS

The profit for the year after taxation is as shown on page 4. The directors recommend payment of a dividend for the year of £15,243.

REVIEW OF THE BUSINESS

This is the companies first period of business and the directors are satisfied with the results.

FUTURE DEVELOPMENTS

There are no plans to develop the business into other areas other than the principal activity.



DIRECTORS AND THEIR INTERESTS

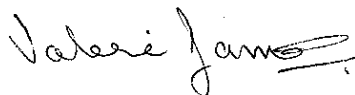
The directors, whom served throughout the year, had the following interests in the £1 ordinary shares of the company at the beginning and the end of the financial year.

	30 June 2000	30 June 1999
Mr J James	1	1

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

152 Ladyton
BONHILL
Alexandria

By order of the Board



6 April 2001

Mrs V James
Secretary

DELLSTONE LIMITED
PROFIT & LOSS ACCOUNT
FOR YEAR ENDED 30 JUNE 2000

	Note	<u>2000</u>	<u>1999</u>
		£	£
Turnover	1	52,277	-
Cost of Sales		12,696	-
Gross Profit		39,581	-
Administrative Expenses		24,270	-
Operating Profit/ Profit on Ordinary Activities Before taxation	2	15,311	-
Taxation on Profit on Ordinary Activities	3	2,880	-
Profit for the financial year		12,431	-
Dividends Paid & Proposed	10	15,243	-
Retained Profit for the financial year		(2,812)	-
Retained Profit at the beginning Of the year		-	-
Retained Profit Carried Forward		(2,812)	-

All amounts relating to continuing activities.

All recognised gains and losses have been included in the profit and loss account.

DELLSTONE LIMITED
BALANCE SHEET
AS AT 30 JUNE 2000

	Note	2000	1999
Fixed Assets	4	700	-
Current Assets			
Debtors	5	2	2
Cash at bank and on hand		16,744	-
		<u>16,746</u>	<u>2</u>
Creditors: Amounts falling Due within one year	6	20,256	-
Net Current Assets		<u>(3,510)</u>	<u>2</u>
Creditors: Amount falling due after More than one year	7	-	-
Net Assets		<u>(2,810)</u>	<u>2</u>
Capital and Reserves			
Called up Share Capital	8	2	2
Profit and Loss Account		<u>(2,812)</u>	<u>-</u>
Shareholders Funds		<u>(2,810)</u>	<u>2</u>

In preparing these unaudited financial statements advantage has been taken of the exemption under section 249A(1) of the Companies Act 1985. No notice requiring an audit has been deposited by members under section 249B(2).

Company law requires the director to prepare financial statements for each financial year which give a fair and true view of the state of affairs of the company and of the profit and loss of the company for that period and which comply with the provisions of the Companies Act. They are also responsible for safeguarding the assets of the company and hence taking reasonable steps for the prevention and detection of fraud and other irregularities.

These financial statements have been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Signed on behalf of the Board



Mr J James

Director

6 April 2001

DELLSTONE LIMITED
STATEMENT OF ACCOUNTING POLICIES

The Financial Statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention.

a) Turnover

Turnover consists of invoiced sales net of returns, trade discounts and value added tax.

b) Taxation

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

c) Depreciation

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives.

Office Equipment – 33% straight-line

DELLSTONE LIMITED
NOTES TO THE FINANCIAL STATEMENTS
30 JUNE 2000

1 Turnover

Turnover was attributable entirely to the United Kingdom market.

2 Operating Profit

Operating profit is stated after charging:-

	<u>2000</u>	<u>1999</u>
Accountants Remuneration	588	-
Director's Remuneration	12,696	-
	<u>13,284</u>	<u>-</u>

3 Taxation

The tax charge for the year has been calculated at 20% (1999: NIL)

4 Fixed Assets

Office Equipment

<u>Cost</u>	
Balance b/fwd	-
Added in Year	1050
Disposals	-
	<u>1050</u>
At 30 June 2000	<u>1050</u>
<u>Depreciation</u>	
Balance b/fwd	-
Charge for year	350
	<u>350</u>
At 30 June 2000	<u>350</u>
<u>Net Book Value</u>	
At 30 June 2000	700
At 30 June 1999	-

5 Debtors

	<u>2000</u>	<u>1999</u>
Trade Debtors	-	-
Other Debtors	2	-
	<u>2</u>	<u>-</u>

6 Creditors: amounts falling due within one year

	<u>2000</u>	<u>1999</u>
Trade Creditors	-	-
Other Creditors	2,133	-
Taxation & Social Security Costs	-	-
Corporation Tax	2,880	-
Dividends Proposed	15,243	-
	<u>20,256</u>	<u>-</u>

7 Creditors: amounts falling due after more than one year

Other Creditors	<u>-</u>	<u>-</u>
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8 Called up Share Capital

	<u>2000</u>	<u>1999</u>
Authorised		
Ordinary Shares of £1 each	100	100
	<u> </u>	<u> </u>
Alloted, called up and fully paid	2	2
	<u> </u>	<u> </u>

9 Controlling Party

Mr James, a director, and members of his close family control the company as a result of controlling directly or indirectly 100% of the issued ordinary share capital.

10 Dividends

	<u>2000</u>	<u>1999</u>
Proposed dividend on ordinary shares	15,243	-
	<u> </u>	<u> </u>