

PINNACLE HOLDINGS LIMITEDDIRECTORS REPORT FOR THE YEAR  
ENDED 31 MARCH 2000

The sole activity of the company throughout the year was the 100% ownership of Pinnacle Brush Co. Ltd., incorporated in the U.K. The principal activity of the subsidiary was that of twisted wire brush manufacture.

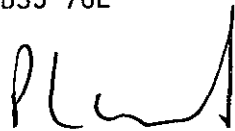
The directors and their shareholdings throughout the year were as follows:-

J.M. Bell	800 'A' shares
R.M. Lambert	660 shares 800 'A' shares
P. Lambert	3410 shares

Edwin Fussell & Co., have indicated their willingness to continue in office as Auditors and their re-appointment for the ensuing year is proposed.

The accounts have been prepared in accordance with the provisions of the Companies Act 985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

P. LAMBERT  
KNAPPS LANE  
BRISTOL  
BS5 7UL



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21 June 2000



**PINNACLE HOLDINGS LIMITED**  
**DIRECTORS RESPONSIBILITIES**

**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 then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

**PINNACLE HOLDINGS LIMITED**  
**REPORT OF THE AUDITORS**

Auditor's Report to the members of Pinnacle Holdings Limited.

We have audited the financial statements on pages 4 and 6 which have been prepared under the Historic Cost Convention and in accordance with the accounting policies set out on page 6.

Respective responsibilities of directors and auditors.  
As described above, the company's directors are responsible for the preparation of the Financial Statements. It is our responsibility to form an independent opinion based on our audit, on those statements and to report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practice Board. An audit includes examination, on a test basis, of evidence relating to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

The company is exempt from preparing consolidated accounts under the provision of Section 248 and 249 of the Companies Act 1985.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2000 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



**EDWIN FUSSELL & CO.,  
CHARTERED ACCOUNTANTS, REGISTERED AUDITORS  
111 HIGH STREET  
HANHAM  
BRISTOL  
BS15 3QG**

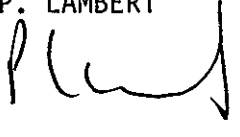
*21 June 2000*

### PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2000

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PINNACLE HOLDINGS LIMITED

BALANCE SHEET AT 31 MARCH 2000

	<u>Note</u>	<u>2000</u> <u>£</u>	<u>1999</u> <u>£</u>
INVESTMENTS:-			
Shareholding in subsidiary at cost	2	287051	287051
LESS CURRENT LIABILITIES:- (payable within 1 year)			
Loan from subsidiary		1391	1376
TOTAL NET ASSETS		285660	285675
Financed by:-			
SHARE CAPITAL	3	6670	6670
RESERVES	4	278990	279005
		285660	285675
These accounts have been prepared in accordance with the provision of the Companies Act 1985 relating to small companies in accordance with the Financial Reporting Standard for Smaller Entities.			
P. LAMBERT  -5-  21 June 2000			

PINNACLE HOLDINGS LIMITED

NOTES TO THE ACCOUNTS FOR THE  
YEAR ENDED 31 MARCH 2000

1. ACCOUNTING POLICIES

The accounts are prepared under the Historic Cost Convention. The investment is the wholly owned subsidiary its shown at cost.

2. INVESTMENTS

100% ownership of Pinnacle Brush Co. Ltd. incorporated in the U.K. the subsidiary produced a profit after tax of £81310 for the year. The issued share capital of the subsidiary is £10,000 in £1 ordinary shares.

3. SHARE CAPITAL

	<u>£</u>
Issued fully paid 5070 ordinary £1 shares	5070
1600 300% cum ordinary 'A' shares	1600
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	6670

4. RESERVES

	<u>Profit &amp; loss account</u>
	<u>£</u>
Balance at 1 April 1999	275675
Transfer from Profit & loss account	(15)
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Balance at 31 March 2000	275660

Capital Redemption Reserve Fund

	<u>£</u>
Balance at 31 March 1999 and 2000	<u>3330</u>
Total reserves at 31 March 2000	<u>278990</u>

PINNACLE HOLDINGS LIMITED

CORPORATION TAX COMPUTATION FOR  
THE YEAR ENDED 31 MARCH 2000

	<u>£</u>
Expenses	259
Loss b/fwd	15
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Loss c/fwd	274
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