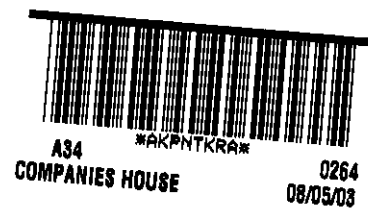


COMPANY REGISTRATION NUMBER 03723339

StarVale Management & Technologies  
Limited

Abbreviated Financial Statements  
For the Year Ended 31 December 2002



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CHARTERED ACCOUNTANTS

**STARVALE MANAGEMENT & TECHNOLOGIES LIMITED**

**ABBREVIATED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31ST DECEMBER 2002**

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**CONTENTS**

**PAGES**

Abbreviated balance sheet

**1 to 2**

Notes to the abbreviated financial statements

**3 to 6**

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**STARVALE MANAGEMENT & TECHNOLOGIES LIMITED****ABBREVIATED BALANCE SHEET****AS AT 31ST DECEMBER 2002**

|   | Note     | 2002<br>£        | £              | 2001<br>£        | £              |
|---|----------|------------------|----------------|------------------|----------------|
| <b>FIXED ASSETS</b>                                   | <b>2</b> |                  |                |                  |                |
| Tangible assets                                       |          |                  | 10,690         |                  | 9,581          |
| Investments   |          |                  | 603,000        |                  | 603,000        |
|   |          |                  | <u>613,690</u> |                  | <u>612,581</u> |
| <b>CURRENT ASSETS</b>                                 |          |                  |                |                  |                |
| Debtors   |          | 218,599          |                | 274,595          |                |
| Cash at bank and in hand                              |          | 52,818           |                | 3,384            |                |
|   |          | <u>271,417</u>   |                | <u>277,979</u>   |                |
| <b>CREDITORS: Amounts falling due within one year</b> |          | <u>(109,172)</u> |                | <u>(172,480)</u> |                |
| <b>NET CURRENT ASSETS</b>                             |          |                  | <u>162,245</u> |                  | <u>105,499</u> |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>          |          |                  | <u>775,935</u> |                  | <u>718,080</u> |
| <b>PROVISIONS FOR LIABILITIES AND CHARGES</b>         |          |                  | <u>(1,574)</u> |                  | <u>(1,593)</u> |
|   |          |                  | <u>774,361</u> |                  | <u>716,487</u> |
| <b>CAPITAL AND RESERVES</b>                           |          |                  |                |                  |                |
| Called-up share capital                               | 5        |                  | 600,002        |                  | 600,002        |
| Profit and Loss Account                               |          |                  | 174,359        |                  | 116,485        |
| <b>SHAREHOLDERS' FUNDS</b>                            |          |                  | <u>774,361</u> |                  | <u>716,487</u> |

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts 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 or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

The balance sheet continues on the following page.  
The notes on pages 3 to 6 form part of these financial statements.

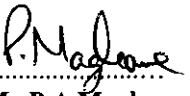
**STARVALE MANAGEMENT & TECHNOLOGIES LIMITED**

**ABBREVIATED BALANCE SHEET** *(continued)*

**AS AT 31ST DECEMBER 2002**

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These financial statements were approved by the directors on the ..29/01/03.. and are signed on their behalf by:

  
.....  
Mr P A Magleave  
Director

The notes on pages 3 to 6 form part of these financial statements.

**STARVALE MANAGEMENT & TECHNOLOGIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2002**

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**1. ACCOUNTING POLICIES**

**Basis of accounting**

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**

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

**Depreciation**

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

|                     |   |                      |
|---------------------|---|----------------------|
| Fixtures & Fittings | - | 10% Reducing Balance |
| Motor Vehicles      | - | 25% Reducing Balance |
| Office equipment    | - | 10% Reducing Balance |

**Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Pension costs**

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

**STARVALE MANAGEMENT & TECHNOLOGIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2002**

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**1. ACCOUNTING POLICIES** *(continued)*

**Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exceptions:

\* provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

\* provision is made for deferred tax that would arise on remittance of the retained earnings of overseas subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable;

\* deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

**Group relief**

The financial statements have been prepared based on the assumption that there will be no payments made for group relief surrendered.

**Consolidation**

The company is exempt from the requirements to prepare group financial statements by virtue of section 248 of the Companies Act 1985. These accounts therefore present information about the company as an individual undertaking and not about its group.

**Investments**

Investments are included at cost less amounts written off. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

**STARVALE MANAGEMENT & TECHNOLOGIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2002**

**2. FIXED ASSETS**

|                              | <b>Tangible<br/>Assets<br/>£</b> | <b>Investments<br/>£</b> | <b>Total<br/>£</b> |
|------------------------------|----------------------------------|--------------------------|--------------------|
| <b>COST</b>                  |                                  |                          |                    |
| At 1st January 2002          | 11,622                           | 603,000                  | 614,622            |
| Additions                    | 2,682                            | -                        | 2,682              |
| <b>At 31st December 2002</b> | <b>14,304</b>                    | <b>603,000</b>           | <b>617,304</b>     |
| <b>DEPRECIATION</b>          |                                  |                          |                    |
| At 1st January 2002          | 2,041                            | -                        | 2,041              |
| Charge for year              | 1,573                            | -                        | 1,573              |
| <b>At 31st December 2002</b> | <b>3,614</b>                     | <b>-</b>                 | <b>3,614</b>       |
| <b>NET BOOK VALUE</b>        |                                  |                          |                    |
| <b>At 31st December 2002</b> | <b>10,690</b>                    | <b>603,000</b>           | <b>613,690</b>     |
| At 31st December 2001        | 9,581                            | 603,000                  | 612,581            |

**3. TRANSACTIONS WITH THE DIRECTORS**

During the year the company provided loans to the following directors as follows:

Mrs E Hanson, a director. The outstanding amounts were as follows; beginning of the year: £1,851; end of the year: £19,851; maximum during the year £19,851.

**4. RELATED PARTY TRANSACTIONS**

Mrs E Hanson and Mr P Magleave directors are also directors of Starvale Management Limited. During the year the company received management fees from Starvale Management Limited totalling £25,838 (2001:£47,624).

At the balance sheet date the amount owing by Starvale Management Limited was £21,156 (2001: £42,398).

Mr P Magleave and Mrs E Hanson are also directors of StarAccess Technologies Limited. During the year the company received management fees from StarAccess Technologies Limited totalling £9,437 (2001: £10,692).

At the balance sheet date the amount owing to StarAccess Technologies was £27,129 (2001: £33,482).

**STARVALE MANAGEMENT & TECHNOLOGIES LIMITED**  
**NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER 2002**

**5. SHARE CAPITAL**

**Authorised share capital:**

|  | 2002           | 2001           |
|--|----------------|----------------|
|  | £              | £              |
| 480,000 'A' Ordinary shares of £1 each | 480,000        | 480,000        |
| 100,000 'B' Ordinary shares of £1 each | 100,000        | 100,000        |
| 405,000 Preference shares of £1 each   | 405,000        | 405,000        |
|  | <u>985,000</u> | <u>985,000</u> |

**Allotted, called up and fully paid:**

|                     | 2002           |                | 2001           |                |
|---------------------|----------------|----------------|----------------|----------------|
|                     | No.            | £              | No.            | £              |
| 'A' Ordinary shares | 190,002        | 190,002        | 190,002        | 190,002        |
| 'B' Ordinary shares | 5,000          | 5,000          | 5,000          | 5,000          |
| Preference shares   | 405,000        | 405,000        | 405,000        | 405,000        |
|                     | <u>600,002</u> | <u>600,002</u> | <u>600,002</u> | <u>600,002</u> |

The 'A' Ordinary shares and the 'B' Ordinary shares are ranked in pari passu in all respects with the exception that the holders of the 'B' Ordinary shares are not entitled to vote on any matters at company meetings.

The rights of the preference share holders can be obtained from the Company's Articles of Association, copies of which can be obtained from the Company's Registered Office.