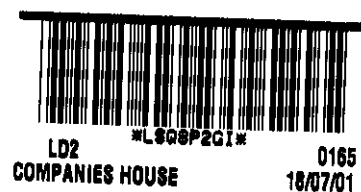

1st Credit Limited
Financial Statements
for the year ended 30th April 2001



Registered Office

7th Floor
Hillgate House
26 Old Bailey
London
EC4M 7HW

Directors

Mr C. Holland
Mr N. Nathoo
Mr M. Cleary

Secretary

Mr N. Nathoo

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The directors submit their report together with the unaudited financial statements for the year ended 30th April 2001.

Directors' Statement

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 loss for that year. 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

Prepare the financial statements 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 and to enable them to ensure 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.

Results and Dividends

The loss on the ordinary activities of the company before taxation amounted to £188,845. After deducting taxation, the deficit of £188,845 has been transferred from reserves.

The directors are unable to recommend a dividend.

Principal Activity and Business Review

The principal activity of the company is that of the purchase and collection of commercial debt.

The company changed its name to 1st Credit Limited by a resolution passed on 16th August 2000. A revised certificate of incorporation was issued on 22nd September 2000. The company has not yet commenced to trade but has incurred certain liabilities on setting up its operation. The directors are satisfied with the result for the year which was in line with expectations but anticipate to commence trading in the forthcoming year.

Directors and their Interests

The directors who served during the year and their interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	2001	2000
	No.	No.
Mr C. Holland	100,000	1
Mr N. Nathoo	1	1
Mr M. Cleary (appointed 16th August 2000)	100,000	1

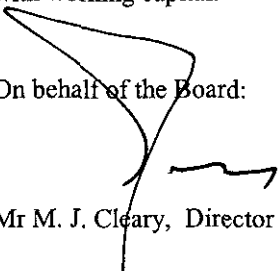
for the year ended 30th April 2001

Share Capital

On 27th April 2001 the authorised share capital was increased to £300,000 by the creation of 299,000 ordinary shares of £1 each ranking pari-passu with the existing shares.

On 27th April 2001 299,998 ordinary shares of £1 each were allotted and issued at par, fully paid in order to provide the company with working capital.

On behalf of the Board:



Mr M. J. Cleary, Director

16/7/01

Profit and Loss Account

for the year ended 30th April 2001

	Notes	2001 £	2000 £
Administrative expenses		(189,189)	(18,759)
Operating loss	2	(189,189)	(18,759)
Interest receivable	4	344	-
Loss on ordinary activities before Taxation		(188,845)	(18,759)
Retained loss brought forward		(18,759)	-
Retained (loss) carried forward		<u>(207,604)</u>	<u>(18,759)</u>

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Balance Sheet

as at 30th April 2001

	Notes	2001 £	2001 £	2000 £	2000 £
Fixed Assets					
Tangible fixed assets	6		101,966		-
Current Assets					
Debtors	7	142,545		2	
Cash at bank and in-hand		143,538		-	
		286,083		2	
Creditors:					
Amounts falling due within one year	8	(295,653)		(18,759)	
Net Current (Liabilities)			(9,570)		(18,757)
Total Assets Less Current Liabilities			92,396		(18,757)
Capital and Reserves					
Share capital	9		300,000		2
Profit and loss account			(207,604)		(18,759)
Equity Shareholders' Funds	10		92,396		(18,757)

In the directors' opinion the company was entitled under Section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 30th April 2001. No notice from members requiring an audit has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its accounts for the financial year.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 and for preparing accounts which give a true and fair view of the state of the affairs of the company as at 30th April 2001 and of its loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

These accounts were approved by the board on 16 JULY 2001

Mr M. J. Cleary
Director

Notes to the Financial Statements

for the year ended 30th April 2001

1 Principal Accounting Policies*Accounting Convention*

The Financial Statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Depreciation

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The rates generally applicable are:

Leasehold land and buildings	over life of lease
Furniture and equipment	20% straight line
Computer equipment	20% straight line

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight-line basis over the lease term.

2 Operating Loss

The operating loss is stated after charging or crediting:

	2001	2000
	£	£
Payments under operating leases - land and buildings	19,914	-
Depreciation - owned assets	1,728	-
	<u>21,642</u>	<u>-</u>

3 Tax on Loss on Ordinary Activities

No Corporation tax liability arises due to the loss in the year. The company has unutilised corporation tax losses available to carry forward against future profits.

4 Interest Receivable

	2001	2000
	£	£
Deposit interest receivable	344	-
	<u>344</u>	<u>-</u>

Notes to the Financial Statements

for the year ended 30th April 2001

5 Directors and Employees

Staff costs during the year were as follows:

	2001 £	2000 £
Wages and salaries	25,108	-
Social security costs	2,753	-
	<u>27,861</u>	<u>-</u>

The directors received no remuneration during the year.

The average monthly number of employees, including directors, during the year was as follows:

	2001 Number	2000 Number
Administration	<u>3</u>	<u>3</u>

6 Tangible Fixed Assets

	Short Leasehold land and buildings £	Furniture and equipment £	Computer equipment £	Total £
Cost				
At 1st May 2000	-	-	-	-
Additions	15,346	33,966	54,382	103,694
At 30th April 2001	<u>15,346</u>	<u>33,966</u>	<u>54,382</u>	<u>103,694</u>
Depreciation				
Charged for the year	256	566	906	1,728
At 30th April 2001	<u>256</u>	<u>566</u>	<u>906</u>	<u>1,728</u>
Net Book Value				
At 30th April 2001	<u>15,090</u>	<u>33,400</u>	<u>53,476</u>	<u>101,966</u>

7 Debtors

	2001 £	2000 £
Other debtors	93,970	-
Prepayments and accrued income	48,575	-
Called up share capital not paid	-	2
	<u>142,545</u>	<u>2</u>

Other debtors includes an amount of £65,850 which is recoverable after more than one year.

Notes to the Financial Statements

for the year ended 30th April 2001

8	Creditors: Amounts falling due within one year	2001 £	2000 £
	Trade creditors	133,854	-
	Other taxes and social security	7,975	-
	Other creditors	131,405	18,759
	Accruals and deferred income	22,419	-
		<u>295,653</u>	<u>18,759</u>

9	Share Capital - Equity	2001 £	2000 £
	Authorised		
	300,000 Ordinary shares of £1 each (2000: 1,000)	300,000	1,000
		<u>300,000</u>	<u>1,000</u>

	Allotted and fully paid	2001 £	2000 £
	300,000 Ordinary shares of £1 each (2000: 2)	300,000	2
		<u>300,000</u>	<u>2</u>

Movements during the year

	Ordinary shares of £1 each
At 1st May 2000	2
Issues during the year	299,998
At 30th April 2001	<u>300,000</u>

On 27th April 2001 the authorised share capital was increased to £300,000 by the creation of 299,000 ordinary shares of £1 each ranking pari-passu with the existing shares.

On 27th April 2001 299,998 ordinary shares of £1 each were allotted and issued at par, fully paid in order to provide the company with working capital.

10	Reconciliation of the Movement in Shareholders' Funds	2001 £	2000 £
	Loss for the financial year	(188,845)	(18,759)
	New share capital subscribed	299,998	2
	Increase/(Decrease) in shareholders' funds	111,153	(18,757)
	Opening shareholders' funds	(18,757)	-
	Closing shareholders' funds	<u>92,396</u>	<u>(18,757)</u>

Notes to the Financial Statements

for the year ended 30th April 2001

11 Contingent Liabilities

The other debtor of £65,850 due after more than one year, in note 7 to the accounts, relates to a rent deposit, which is secured in favour of the landlord in respect of all monies and liabilities outstanding.

12 Operating lease commitments

Financial commitments under non-cancellable operating leases will result in the following payments falling due in the next financial year:

	2001 Land and buildings £	2000 Land and buildings £
Expiring:		
Within two to five years	131,700	-
	<u>131,700</u>	<u>-</u>

13 Related Party Transactions

During the year the directors defrayed certain business expenses on behalf of the company. At 30th April 2001 an amount of £55,181 (2000:£nil) was due to M. Cleary and £59,012 to C. Holland (2000:£18,759) in respect of these expenses.

14 Control

No shareholder has control or ultimate control of the company.