Company Number: 3222857

MIKE GIDLEY COMPUTING LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED
31 JULY 1998

KELLYS
Chartered Accountants



MIKE GIDLEY COMPUTING LIMITED

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 1998

The directors present their report and the financial statements for the year ended 31 July 1998.

Principal activities

The company's principal activity during the period was the supply of computing services.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were :

	Ordinary shares of £1 each	
	1998	*1997*
M A Gidley	**50**	*50*
S B Martin	**100**	*100*

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

This report was approved by the board on 24 November 1998 and signed on its behalf.

S. Martin

S B Martin
Secretary

ACCOUNTANTS' REPORT ON THE UNAUDITED FINANCIAL STATEMENTS TO THE DIRECTORS OF MIKE GIDLEY COMPUTING LIMITED

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 July 1998 set out on pages 3 to 7, and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985.

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 of the company and from information and explanations supplied to us.

KELLYS

Chartered Accountants
St John's House
4 London Road
Crowborough
East Sussex TN6 2TT

1 December 1998

PROFIT AND LOSS ACCOUNT
For the year ended 31 July 1998

	Note	Year ended 31 July 1998 £	*13 months ended 31 July 1997 £*
TURNOVER	1,2	**66,680**	*51,480*
Administrative expenses		**(23,792)**	*(17,663)*
OPERATING PROFIT	3	**42,888**	*33,817*
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	4	**(8,987)**	*(8,064)*
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		**33,901**	*25,753*
DIVIDENDS		**(34,400)**	*(25,580)*
(LOSS)/RETAINED PROFIT FOR THE YEAR		**(499)**	*173*
RETAINED PROFIT BROUGHT FORWARD		**173**	*-*
(LOSS)/RETAINED PROFIT CARRIED FORWARD		**£ (326)**	*£ 173*

The notes on pages 5 to 7 form part of these financial statements.

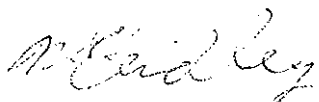
BALANCE SHEET
As at 31 July 1998

	Note	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible fixed assets	5		**983**		*769*
CURRENT ASSETS					
Debtors	6	**907**		*367*	
Cash at bank and in hand		**4,387**		*2,364*	
		5,294		*2,731*	
CREDITORS: amounts falling due within one year	7	**(6,453)**		*(3,177)*	
NET CURRENT LIABILITIES			**(1,159)**		*(446)*
TOTAL ASSETS LESS CURRENT LIABILITIES			**£ (176)**		*£ 323*
CAPITAL AND RESERVES					
Called up share capital	8		**150**		*150*
Profit and loss account			**(326)**		*173*
SHAREHOLDERS' FUNDS			**£ (176)**		*£ 323*

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and no notice requiring an audit has been deposited under section 249B(2) of the Act. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 July 1998 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 Act relating to the financial statements so far as applicable to the company.

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

The financial statements were approved by the board on 24 November 1998 and signed on its behalf



M A Gidley Director

The notes on pages 5 to 7 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 1998

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and include the results of the company's operations which are described in the Directors' Report.

1.2 Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer equipment	-	50%	Reducing balance basis
Office equipment	-	25%	Reducing balance basis

2. TURNOVER

All of the company's turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	Year ended 31 July 1998 £	*13 months ended 31 July 1997 £*
Depreciation of tangible fixed assets - owned by the company	**932**	*1,675*
Directors' emoluments	**16,836**	*12,800*

4. TAXATION

	Year ended 31 July 1998 £	*13 months ended 31 July 1997 £*
Current year taxation		
UK corporation tax at 21% (1997 - 24% &21%)	**£ 8,987**	*£ 8,064*

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 1998

5. TANGIBLE FIXED ASSETS

	Plant & Equipment £	Total £
Cost or valuation		
At 1 August 1997	**2,444**	**2,444**
Additions	**1,146**	**1,146**
At 31 July 1998	**3,590**	**3,590**
Depreciation		
At 1 August 1997	**1,675**	**1,675**
Charge for year	**932**	**932**
At 31 July 1998	**2,607**	**2,607**
Net Book Value		
At 31 July 1998	**£ 983**	**£ 983**
At 31 July 1997	*£ 769*	*£ 769*

6. DEBTORS

	1998 £	*1997 £*
Due within one year		
Other debtors	**907**	*367*
	£ 907	*£ 367*

Included within other debtors due within one year is a loan of £NIL *(1997 - £8)* to M A Gidley, a director. The maximum amount outstanding during the year was £8.

7. CREDITORS:
Amounts falling due within one year

	1998 £	*1997 £*
Corporation tax	**387**	*1,669*
Other creditors	**6,066**	*1,508*
	£ 6,453	*£ 3,177*

Included within other creditors is an amount of £5,393 *(1997 - £1,158)* relating to social security and other taxes.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 July 1998

8. CALLED UP SHARE CAPITAL

	1998 £	*1997 £*
Authorised		
1,000 ordinary shares of £1 each	£ **1,000**	£ *1,000*
Allotted, called up and fully paid		
150 ordinary shares of £1 each	£ **150**	£ *150*

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
For the year ended 31 July 1998

	Page	Year ended 31 July 1998 £	*13 months ended 31 July 1997 £*
TURNOVER	9	**66,680**	*51,480*
Less: **OVERHEADS**			
Administration expenses	9	**(23,792)**	*(17,663)*
PROFIT FOR THE YEAR		**£ 42,888**	*£ 33,817*

SCHEDULE TO THE TRADING AND PROFIT AND LOSS ACCOUNT
For the year ended 31 July 1998

	Year ended 31 July 1998 £	*13 months ended 31 July 1997 £*
TURNOVER		
Fees receivable	£ **66,680**	£ *51,480*
ADMINISTRATION EXPENSES		
Directors' salaries	**16,836**	*12,800*
National insurance	**828**	*594*
Travel	**4,023**	*1,320*
Printing and stationery	**104**	*202*
Computer costs	**266**	*155*
Accountancy	**585**	*656*
Bank charges	**56**	-
Sundry administration expenses	**15**	*153*
Depreciation - equipment	**932**	*1,675*
Staff welfare	**147**	*108*
	£ **23,792**	£ *17,663*