REGISTRAR'S COPY

DATAMAN PROGRAMMERS LIMITED

FINANCIAL STATEMENTS

31ST MAY 1999

Registered number: 2775568

KENNEDY LEGG

ACCOUNTANTS AND REGISTERED AUDIT

DORCHESTER

DATAMAN PROGRAMMERS LIMITED

FINANCIAL STATEMENTS

for the year ended 31st May 1999

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The following pages do not form part of the statutory accounts

Electronics trading and profit and loss account	Appendix 1
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DATAMAN PROGRAMMERS LIMITED

COMPANY INFORMATION

31st May 1999

CHAIRMAN	Mr B Savage
SECRETARY	Mrs E Hammond
REGISTERED OFFICE	Station Road Maiden Newton Dorset DT2 OAE
BANKERS	Barclays Bank PLC 10 South Street Dorchester Dorset DT1 1BT
AUDITORS	Kennedy Legg Stafford House 10 Prince of Wales Road Dorchester Dorset DT1 1PW

DATAMAN PROGRAMMERS LIMITED

DIRECTORS' REPORT

31st May 1999

The director presents his report and the audited financial statements for the year ended 31st May 1999.

Principal activity

The principal activities of the company are the manufacture and supply of Erasable Programmable Read Only Memory Programmers and associated products, and the operation of a Nursery School.

The premises for the nursery school operation are located entirely separate from those of the company's other principal activity. They were purchased in August 1997 and following substantial refurbishment trade as a nursery school commenced on the 2nd January 1999.

Directors

The director of the company during the year and his interest in the shares of the company as recorded in the register of directors' interests was as follows:

	31st May 1999 Ordinary shares	1st June 1998 Ordinary shares
Mr B Savage	1,000	1,000

Auditors

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary, Kennedy Legg will continue in office.

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

Mrs E Hammond
Secretary

Station Road
Maiden Newton
Dorset DT2 OAE

25th April 2000

DATAMAN PROGRAMMERS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the director 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 director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

On behalf of the board

Mr B Savage
Chairman

25th April 2000

DATAMAN PROGRAMMERS LIMITED

AUDITORS' REPORT

Auditors' report to the members of Dataman Programmers Limited

We have audited the financial statements on pages 5 to 11 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors
As described on page 3, the company's director is responsible for the preparation of 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 Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the director 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.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st May 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Kennedy Legg

Kennedy Legg
Registered Auditors
Dorchester

25th April 2000

DATAMAN PROGRAMMERS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st May 1999

	Note	1999 £	1998 £
Turnover	2	1,163,092	1,059,635
Cost of sales		(448,596)	(500,397)
Gross profit		714,496	559,238
Net operating expenses			
Administrative expenses		(571,760)	(545,709)
Other operating income		34,642	44,437
Profit on ordinary activities before taxation		177,378	57,966
Taxation	5	(38,717)	(12,011)
Profit on ordinary activities after taxation retained for the year	11	138,661	45,955

Movements in reserves are shown in note 11.

DATAMAN PROGRAMMERS LIMITED

BALANCE SHEET

at 31st May 1999

	Note	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Intangible assets	6		103,125		110,625
Tangible assets	7		237,691		302,909
			340,816		413,534
Current assets					
Stocks		197,080		271,478	
Debtors	8	259,422		61,613	
Cash at bank and in hand		739,220		662,631	
		1,195,722		995,722	
Creditors: amounts falling due within one year	9	(142,672)		(154,051)	
Net current assets			1,053,050		841,671
Total assets less current liabilities			1,393,866		1,255,205
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss account	11		1,392,866		1,254,205
Total shareholders' funds			1,393,866		1,255,205

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

The financial statements on pages 5 to 11 were approved by the board of directors on 25th April 2000 and signed on its behalf by:

Mr B Savage
Chairman

DATAMAN PROGRAMMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st May 1999

1 Accounting policies

a Basis of accounting
The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. The financial statements comply with statements of standard accounting practice, except for freehold buildings which have not been depreciated.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

b Turnover
Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

c Depreciation
Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold improvements	not provided
Plant equipment fixtures and fittings	25% reducing balance
Motor vehicles	25% reducing balance
Goodwill	straight line over 20 years

Tools and equipment costing individually less than £150 are written off on acquisition since their overall value is immaterial and their quantity and composition does not fluctuate significantly from year to year.

It is company policy not to provide depreciation on freehold land and buildings. The premises are maintained to a high standard and the director considers that the life of the premises is so long and their residual value so great that depreciation is not necessary.

Where any permanent diminution of property value is incurred, a provision is made in the profit and loss account. The director's estimate of residual value is based on prices prevailing at the time of acquisition or subsequent revaluation.

d Foreign currencies
Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

e Leases and hire purchase contracts
Rentals paid under operating leases are charged to income as incurred.

f Stocks
Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

g Deferred taxation
Deferred taxation is provided on the liability method in respect of the

DATAMAN PROGRAMMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st May 1999

1 **Accounting policies** continued
taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

h **Research and development**
Expenditure on research and development incurred in the year other than on fixed assets is charged to the profit and loss account.

i **Pensions**
Contributions are made to the personal schemes of directors and employess. The contributions are charged to the profit and loss account as they become payable in accordance with the rules of the respective schemes.

2 **Turnover**

In the opinion of the directors, 60% of the turnover of the company is attributable to geographical markets outside the UK (1998 49%).

Turnover is attributable to the two main trading as follows:

	1999 £	1998 £
Electronics	1,155,782	1,059,635
Nursery school	7,310	-
	1,163,092	1,059,635

3 **Operating profit**

	1999 £	1998 £
Operating profit is stated after crediting:		
Interest receivable	34,642	44,437
Profit on foreign exchange	5,459	-
and after charging:		
Auditors' remuneration	4,000	4,500
Loss on sale of assets	2,626	-
Loss on foreign exchange	-	2,347
Depreciation of tangible fixed assets (note 7):		
Owned assets	19,037	17,031
Amortisation of intangible fixed assets	7,500	7,500

DATAMAN PROGRAMMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st May 1999

4 Directors

	1999 £	1998 £
Directors' emoluments	122,707	110,892

Defined contribution pension scheme
The company operates a defined contribution scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £42,248 (1998 £35,077) including contributions in respect of employees. Contributions totalling £0 (1998 £0) were payable to the fund at 31st May 1999 and are included in creditors.

5 Taxation

	1999 £	1998 £
Corporation tax on profit on ordinary activities at 21% (1998 21%)	38,717	13,302
Over provision in earlier years	-	(1,291)
	38,717	12,011

6 Intangible fixed assets

	Goodwill £
Cost	
1st June 1998 and 31st May 1999	150,000
Amortisation	
1st June 1998	39,375
Charge for the year	7,500
31st May 1999	46,875
Net book amount	
31st May 1999	103,125
1st June 1998	110,625

DATAMAN PROGRAMMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st May 1999

7 Tangible fixed assets

Cost	Motor Vehicles £	Plant Equipment Fixtures and Fittings £	Freehold Property and Improvements £	Total £
1st June 1998	8,495	126,701	251,816	387,012
Additions	-	25,049	19,063	44,112
Disposals	-	-	(90,293)	(90,293)
31st May 1999	8,495	151,750	180,586	340,831
Depreciation				
1st June 1998	6,605	77,498	-	84,103
Charge for the year	474	18,563	-	19,037
31st May 1999	7,079	96,061	-	103,140
Net book amount				
31st May 1999	1,416	55,689	180,586	237,691
1st June 1998	1,890	49,203	251,816	302,909

8 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	244,049	54,812
Other debtors	15,373	6,801
	259,422	61,613

9 Creditors: amounts falling due within one year

	1999 £	1998 £
Trade creditors	54,616	46,833
Corporation tax	18,717	13,302
Other taxation and social security	5,365	5,585
Other creditors	63,974	88,331
	142,672	154,051

DATAMAN PROGRAMMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31st May 1999

10 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary £1 shares	1,000	1,000	1,000	1,000
Allotted, called up and fully paid				
Ordinary £1 shares	1,000	1,000	1,000	1,000

11 Profit and loss account

	1999 £
1st June 1998	1,254,205
Retained profit for the year	138,661
31st May 1999	1,392,866

12 Ultimate parent undertaking

The company was controlled throughout the current and previous period by its sole director, Mr B Savage, by virtue of his 100% holding in the company's issued share capital.

13 Related parties

The company operates its electronics trade from premises owned by the sole director and shareholder, Mr B Savage. No rent was paid by the company for the use of the premises during the year ended 31st May 1999.

The nursery school trade is carried on at premises which are owned two thirds by the company and one third by Mr Savage. No rent was paid to Mr Savage for the use of the premises during the year ended 31st May 1999.

The one third interest in the nursery school premises known as 1 Bincleaves Road, Weymouth, Dorset was acquired, at market value, by Mr Savage from the company on the 8th March 1999.