LECKHAMPTON COMPUTERS LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2000

COMPANY REGISTRATION NUMBER 1523797



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LECKHAMPTON COMPUTERS LIMITED

DIRECTORS

P K Lichtarowicz Chairman
A M Lichtarowicz
S Robson
R J Foulds

SECRETARY

A M Lichtarowicz

REGISTERED OFFICE

Leckhampton House
Hill Top Lane
Lund House Green
Harrogate
HG3 1QS

AUDITORS

Fullertons
Westfield House
Westfield Road
Leeds
LS3 1DF

LECKHAMPTON COMPUTERS LIMITED

DIRECTOR'S REPORT

The directors present their report and the financial statements for the year ended 31 March 2000.

PRINCIPAL ACTIVITY

The principal activity of the company is that of the provision of computer services.

DEVELOPMENTS DURING THE YEAR AND THE COMPANYS' POSITION AT 31 MARCH 2000

The company has continued to expand its customer base during the year and looks forward to the future with confidence.

RESULTS AND DIVIDENDS

The directors recommend that a dividend of £105 per share be paid for the year ended 31 March 2000.

If this recommendation is approved, £4,600 will be added to reserves.

DIRECTORS

The directors at 31 March 2000 and their interests in the share capital of the company were as follows:

	Ordinary Shares	
	31 March 2000	1 April 1999
P K Lichtarowicz	99	99
A M Lichtarowicz	1	1
S Robson	-	-
R J Foulds	-	-

AUDITORS

Fullertons have expressed their willingness to continue in office. A resolution for their re-appointment will be put to the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

LECKHAMPTON COMPUTERS LIMITED

DIRECTORS REPORT (continued)

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 as at the end of the financial year and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

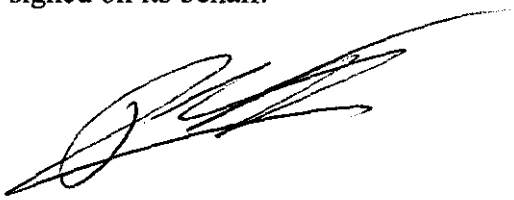
Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

State whether applicable accounting standards have been followed.

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 that the financial statements comply with the Companies Act. 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.

This report, which has been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the board of directors on 26 January 2001 and signed on its behalf.



PIOTR KRZYSZTOF LICHTAROWICZ
Director

Leckhampton House
Hill Top Lane
Lund House Green
Harrogate
HG3 1QS

REPORT OF THE AUDITORS TO THE MEMBERS OF

LECKHAMPTON COMPUTERS LIMITED

We have audited the financial statements on pages 6 to 12 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) under the historical cost convention and the accounting policies set out on pages 5 and 6.

Respective responsibilities of directors and auditors

As described on page 4 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 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 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.

We planned and performed our audit so as to obtain all the information and explanation 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 other irregularity of error.

In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified Opinion Arising from Limitation in Audit Scope

Included in intangible assets shown in the balance sheet is capitalisation of development software of £2,000. The company has no system of separately costing this expenditure as required by SSAP 13 that we could rely on for the purposes of our audit and there were no satisfactory audit procedures that we could adopted to confirm independently that this asset is correctly calculated and valued.

Except for adjustments that might be found necessary had we been able to obtain sufficient evidence concerning the valuation of software, 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 profit for the year then ended and have been properly prepared in accordance with the provision of the Companies Act 1985.



FULLERTONS
Registered Auditor
Chartered Accountants
Westfield House
2/10 Westfield Road
Leeds
LS3 1DF

26 January 2001

LECKHAMPTON COMPUTERS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2000

	Notes	2000 £	1999 £
Turnover		398,664	443,384
Goods for resale		(35,033)	(54,460)
Other external charges		(7,714)	(4,088)
Staff costs		(236,897)	(256,993)
Depreciation	4,5	(21,679)	(29,134)
Other operating charges		(69,616)	(79,517)
		(370,939)	(424,192)
Operating profit	2	27,725	19,192
Interest payable and similar charges		(6,475)	(8,419)
Profit on ordinary activities before taxation		21,250	10,773
Taxation on profit on ordinary activities	3	(6,150)	(2,846)
Profit on ordinary activities after taxation		15,100	7,927
Dividend payable		(10,500)	-
Retained profit for the year	10	4,600	7,927
Retained profit brought forward		15,235	7,308
Retained profit carried forward		19,835	15,235

The notes on pages 8 to 12 form part of these financial statements.

LECKHAMPTON COMPUTERS LIMITED

BALANCE SHEET AT 31 MARCH 2000

	Notes	2000 £	1999 £
FIXED ASSETS			
Tangible assets	4	32,664	41,467
Intangible assets	5	2,000	10,000
		34,664	51,467
CURRENT ASSETS			
Debtors	6	110,288	99,942
		110,288	99,942
CREDITORS (amounts falling due within one year)	7	(125,017)	(134,105)
NET CURRENT LIABILITIES		(14,729)	(34,163)
TOTAL ASSETS LESS CURRENT LIABILITIES		19,935	17,304
CREDITORS (amounts falling due after more than one year)	8	-	(1,969)
NET ASSETS		19,935	15,335
CAPITAL AND RESERVES			
Called up share capital	9	100	100
Profit and loss account		19,835	15,235
SHAREHOLDERS' FUNDS	10	19,935	15,335

The financial statements, which have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board of directors on 26 January 2001 and signed on its behalf.

PIOTR KRZYSZTOF LICHTAROWICZ
Director

The notes on pages 8 to 12 form part of these financial statements.

LECKHAMPTON COMPUTERS LIMITED

NOTES ON THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES

The following accounting policies are used consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

Tangible fixed assets and depreciation

Fixed assets are stated at cost less depreciation, at rates calculated to write off the assets over their estimated working lives. The rates used are:

Office equipment	-	25% to 33% per annum straight line
Motor vehicles	-	25% per annum reducing balance

Intangible assets

Consisting of expenditure on development software has been capitalised to reflect the value to the company of its future anticipated sales. The asset will be amortised over it's expected useful life of 3½ years.

Turnover

Credit is taken on sales as a proportion of total contract value, calculated by reference to time spent on a contract as a proportion of the total time required for the contract.

Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method only to the extent that in the opinion of the directors there is a reasonable probability that a liability or asset will crystallise in the near future.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

LECKHAMPTON COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

1 ACCOUNTING POLICIES (continued)

Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligations outstanding in each period.

2 OPERATING PROFIT

	2000 £	1999 £
The operating profit is stated after charging:		
Interest on bank borrowings	3,308	3,955
Interest on finance leases and hire purchase	3,167	4,464
Director's emoluments	109,901	116,234
Auditors' remuneration	2,000	2,000
Depreciation of tangible fixed assets		
- Owned by the company	12,572	12,734
- Held under finance leases	1,107	8,400
Amortisation of intangible fixed assets	8,000	4,000
Operating lease rentals		
- Hire of plant and machinery	400	400
- Hire of motor vehicle	4,026	4,632
- Other	-	2,002

3 TAXATION

	2000 £	1999 £
U.K. Current Year Taxation		
U.K. Corporation tax - At 20% (1999: 21%)	6,150	3,174
- Prior year adjustment	-	(328)
	6,150	2,846

No provision for deferred taxation is required as in the opinion of the directors there is no reasonable probability that a liability or asset will crystallise in the near future.

LECKHAMPTON COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

4 TANGIBLE FIXED ASSETS

	Office equipment £	Motor vehicles £	Total £
Cost			
At 1 April 1999	64,334	94,929	159,263
Addition	5,588	-	5,588
Disposal	-	(5,330)	(5,330)
At 31 March 2000	69,922	89,599	159,521
Depreciation			
At 1 April 1999	56,378	61,418	117,796
Provision for the year	5,482	8,197	13,679
On disposal	-	(4,618)	(4,618)
At 31 March 2000	61,860	64,997	126,857
Net book value at 31 March 2000	8,062	24,602	32,664
Net book value at 31 March 1999	7,956	33,511	41,467

Included above are motor vehicles held under finance leases hire purchase contracts amounting to £3,323 (1999 £25,200).

5 INTANGIBLE ASSETS

Software development costs:

	2000 £
Cost	
At 1 April 1999	22,000
At 31 March 2000	22,000
Amortisation	
At 1 April 1999	12,000
Charge for the year	8,000
At 31 March 2000	20,000
Net book value At 31 March 2000	2,000
Net book value At 31 March 1999	10,000

LECKHAMPTON COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

6 DEBTORS

	2000 £	1999 £
Trade debtors	64,132	51,857
Prepayments	4,880	6,090
Directors loan	36,582	37,301
Tax	4,694	4,694
	110,288	99,942

7 CREDITORS (amounts falling due within one year)

	2000 £	1999 £
Bank overdraft	30,101	20,662
Hire purchase contracts	1,969	10,428
Trade creditors	6,680	8,662
Corporation tax	6,150	3,174
Dividend account	1,000	1,000
Taxes and social security	50,312	57,442
Accruals and deferred income	28,805	32,737
	125,017	134,105

The bank overdraft is secured by a charge on all the assets of the company.

8 CREDITORS (amounts falling due after more than one year)

	2000 £	1999 £
Hire purchase contracts	-	1,969

Hire purchase creditors are secured by a charge on the assets concerned.

9 SHARE CAPITAL

	2000 £	1999 £
Authorised, called up and fully paid:		
Ordinary shares of £1 each	100	100

LECKHAMPTON COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

10 MOVEMENT ON SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the year	4,600	7,927
Opening shareholders funds	15,335	7,408
	19,935	15,335