Registered no. 2481183

PROSYS COMPUTING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1998



WILLIAM PRICE & CO
CHARTERED ACCOUNTANTS
1 ST PAULS ROAD
BRISTOL
BS8 1LZ

PROSYS COMPUTING LIMITED

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PROSYS COMPUTING LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 1998

Director's 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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a 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.

Director

G.V.Morgan

Secretary

C.M.Morgan

Registered Office

5 Washington Chambers
Stanwell Road
Penarth
South Glamorgan

Principal Activities

The principal activities of the company throughout the year were that of computer programming and systems consultancy, and supply of computer hardware, software and support services.

Results and Dividends

The results of the year's trading and the financial position of the company are shown in the annexed accounts.

Director

The present director is as shown above, and he served on the board throughout the year.

The company's Articles of Association do not require directors to retire by rotation.

PROSYS COMPUTING LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 1998 (CONT)

Director's Interests

The interests of the director in the shares of the company at the beginning and end of the year, were as follows:

	31 March 1998	1 April 1997
G.V.Morgan		
Beneficial interests	1	1

Small company exemption

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

ON BEHALF OF THE BOARD

C.M.MORGAN - SECRETARY

Date: 30/1/99

PROSYS COMPUTING LIMITED

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE DIRECTOR OF PROSYS COMPUTING LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 March 1998, set out on pages 4 to 9, and you consider that the company is exempt from an audit.

In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

..... Date: .....

William Price & Co
Chartered Accountants

1 St Pauls Road
Bristol
BS8 1LZ

PROSYS COMPUTING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998

	Note	1998 £	1997 £
TURNOVER	2	117,328	81,943
Cost of sales		87,789	38,962
GROSS PROFIT		29,539	42,981
Net operating expenses	3	25,615	29,479
OPERATING PROFIT	4	3,924	13,502
Profit on sale of fixed assets		-	513
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		3,924	14,015
Other interest receivable and similar income		2	2
Interest payable and similar charges		(1,749)	(1,617)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,177	12,400
Tax on profit on ordinary activities	5	-	(3,350)
RETAINED PROFIT FOR THE FINANCIAL YEAR		2,177	15,750
Retained loss brought forward		(13,116)	(28,866)
RETAINED LOSS CARRIED FORWARD		(10,939)	(13,116)

The annexed notes form part of these financial statements.

PROSYS COMPUTING LIMITED

BALANCE SHEET AT 31 MARCH 1998

	Note		1998 £		1997 £
FIXED ASSETS					
Tangible assets	6		9,987		13,179
CURRENT ASSETS					
Debtors	7	22,396		27,070	
Cash at bank and in hand		909		153	
		23,305		27,223	
CREDITORS					
Amounts falling due within one year	8	34,389		39,262	
NET CURRENT LIABILITIES			(11,084)		(12,039)
TOTAL ASSETS LESS CURRENT LIABILITIES			(1,097)		1,140
CREDITORS					
Amounts falling due after more than one year	9		(9,840)		(14,254)
NET LIABILITIES			(10,937)		(13,114)
CAPITAL AND RESERVES					
Called up share capital	10		2		2
Profit and loss account			(10,939)		(13,116)
SHAREHOLDERS FUNDS			(10,937)		(13,114)

The directors are satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

The directors acknowledge their responsibilities for:

i ensuring that the company keeps accounting records which comply with section 221; 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 this Act relating to accounts, 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.

These financial statements were approved by the board on 30/1/99

ON BEHALF OF THE BOARD

G.V.MORGAN - DIRECTOR

Date: 30/1/99

The annexed notes form part of these financial statements.

PROSYS COMPUTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 31 March 1998 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 March 1998 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Computer equipment	- 20% per annum of cost
Office equipment	- 20% per annum of cost
Motor vehicles	- 25% per annum of cost

2. TURNOVER

The company`s turnover represents the value of goods and services supplied to customers during the year.

3. NET OPERATING EXPENSES

	1998 £	1997 £
Administrative expenses	25,615	29,479

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	1998 £	1997 £
Director`s emoluments	2,500	10,014
Depreciation and amortisation of owned assets	3,192	4,224

5. TAXATION ON ORDINARY ACTIVITIES

	1998 £	1997 £
Current year	nil	nil
Prior year		
Corporation tax under(over) provided	-	(3,350)

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998 (CONT)

6. TANGIBLE FIXED ASSETS

	Computer equipment £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 April 1997	2,985	511	14,850	18,346
Additions	-	-	-	-
Revaluations	-	-	-	-
Intra-group transfers	-	-	-	-
Disposals	-	-	-	-
At 31 March 1998	2,985	511	14,850	18,346
Depreciation				
At 1 April 1997	1,270	184	3,713	5,167
Charge for the year	343	65	2,784	3,192
Revaluations	-	-	-	-
Intra-group transfers	-	-	-	-
Elimination on disposals	-	-	-	-
At 31 March 1998	1,613	249	6,497	8,359
Net book value				
At 31 March 1998	1,372	262	8,353	9,987
At 31 March 1997	*1,715*	*327*	*11,137*	*13,179*

Included in the total net book value of tangible fixed assets held at 31 March 1998 was £8,353 in respect of assets held under finance leases and hire purchase contracts.

7. DEBTORS

	1998 £	1997 £
Trade debtors	21,523	25,514
Other debtors	873	1,556
	22,396	27,070

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998 (CONT)

8. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1998 £	1997 £
Bank loans and overdrafts	2,136	3,192
Obligations under finance leases and hire purchase contracts	3,249	3,249
Trade creditors	17,108	4,598
Social security and other taxes	11,081	12,205
Other creditors	815	16,018
	34,389	39,262

The bank overdraft is secured.

9. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	1998 £	1997 £
Bank loans	5,508	6,674
ther creditors	4,332	7,580
	9,840	14,254

The bank loans and overdraft are secured.

Obligations under finance leases and hire purchase contracts are secured.

10. SHARE CAPITAL

	1998 £	1997 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1998 (CONT)

11. TRANSACTIONS WITH DIRECTORS

Director`s current account

During the year the director mentioned below had balances owing (to)/from the company as follows:

	1998 £
G.V.Morgan	
Balance at 1 April 1997	15,121
Maximum balance outstanding during the year	nil
Balance at 31 March 1998	50

THE FOLLOWING PAGES ARE FOR THE INFORMATION OF THE DIRECTORS ONLY.

THEY DO NOT FORM PART OF THE STATUTORY ACCOUNTS.

PROSYS COMPUTING LIMITED

TRADING & PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1998

		1998 £		1997 £
TURNOVER		117,328		81,943
COST OF SALES				
Purchases	87,789		38,962	
		87,789		38,962
GROSS PROFIT		29,539		42,981
Overhead expenses		25,615		29,479
OPERATING PROFIT		3,924		13,502
Profit on sale of fixed assets		-		513
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		3,924		14,015
Other interest receivable and similar income		2		2
		3,926		14,017
Interest payable and similar charges		1,749		1,617
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		2,177		12,400