Registered no. 2481183

PROSYS COMPUTING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

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 1999

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.

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 1999 (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 1999	1 April 1998
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

CMorg

C.M.MORGAN - SECRETARY

Date: 31/1/2000

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 1999, 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 1999

	Note	1999 £	1998 £
TURNOVER	2	172,222	117,328
Cost of sales		83,127	87,789
GROSS PROFIT		89,095	29,539
Net operating expenses	3	49,709	25,615
OPERATING PROFIT	4	39,386	3,924
Other interest receivable and similar income		9	2
Interest payable and similar charges		(1,933)	(1,749)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,462	2,177
Tax on profit on ordinary activities	5	7,558	-
PROFIT FOR THE FINANCIAL YEAR		29,904	2,177
Dividends		18,500	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		11,404	2,177
Retained loss brought forward		(10,939)	(13,116)
RETAINED PROFIT/(LOSS) CARRIED FORWARD		465	(10,939)

The annexed notes form part of these financial statements.

PROSYS COMPUTING LIMITED

BALANCE SHEET AT 31 MARCH 1999

	Note		1999 £		1998 £
FIXED ASSETS					
Tangible assets	6		11,836		9,987
CURRENT ASSETS					
Debtors	7	52,576		22,396	
Cash at bank and in hand		310		909	
		52,886		23,305	
CREDITORS					
Amounts falling due within one year	8	57,547		34,389	
NET CURRENT LIABILITIES			(4,661)		(11,084)
TOTAL ASSETS LESS CURRENT LIABILITIES			7,175		(1,097)
CREDITORS					
Amounts falling due after more than one year	9		(6,663)		(9,840)
PROVISIONS FOR LIABILITIES AND CHARGES	10		(45)		-
NET ASSETS/(LIABILITIES)			467		(10,937)
CAPITAL AND RESERVES					
Called up share capital	11		2		2
Profit and loss account			465		(10,939)
SHAREHOLDERS' FUNDS			467		(10,937)

The annexed notes form part of these financial statements.

PROSYS COMPUTING LIMITED

BALANCE SHEET AT 31 MARCH 1999 (CONT)

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 (effective March 1999).

These financial statements were approved by the board on ....
ON BEHALF OF THE BOARD

G. V. Morgan

G.V.MORGAN - DIRECTOR

Date: 14/2/00

The annexed notes form part of these financial statements.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999

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 1999 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 1999 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

	1999 £	1998 £
Administrative expenses	49,709	25,615

4. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	1999 £	1998 £
Director`s emoluments	-	2,500
Depreciation of fixed assets	3,731	3,192

PROSYS COMPUTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999 (CONT)

5. TAXATION ON ORDINARY ACTIVITIES

	1999 £	1998 £
Current year	nil	nil
Corporation tax at 21% *(1998 21%)*	7,513	-
Deferred tax at 21%	551	-
	8,064	-
Prior year		
Deferred tax under(over) provided	(506)	-
	7,558	-

6. TANGIBLE FIXED ASSETS

	Computer equipment £	Office equipment £	Motor vehicles £	Total £
Cost				
At 1 April 1998	2,985	511	14,850	18,346
Additions	1,461	119	4,000	5,580
Revaluations	-	-	-	-
Intra-group transfers	-	-	-	-
Disposals	-	-	-	-
At 31 March 1999	4,446	630	18,850	23,926
Depreciation				
At 1 April 1998	1,613	249	6,497	8,359
Charge for the year	567	76	3,088	3,731
Revaluations	-	-	-	-
Intra-group transfers	-	-	-	-
Elimination on disposals	-	-	-	-
At 31 March 1999	2,180	325	9,585	12,090
Net book value				
At 31 March 1999	2,266	305	9,265	11,836
At 31 March 1998	*1,372*	*262*	*8,353*	*9,987*

Included in the total net book value of tangible fixed assets held at 31 March 1999 was £9,256 *(1998 - £8,353)* in respect of assets held under finance leases and hire purchase contracts.

PROSYS COMPUTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999 (CONT)

7. DEBTORS

	1999 £	1998 £
Trade debtors	52,037	21,523
Other debtors	539	873
	52,576	22,396

8. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1999 £	1998 £
Bank loans and overdrafts	11,008	2,136
Obligations under finance leases and hire purchase contracts	4,415	3,249
Trade creditors	25,385	17,108
Corporation tax payable	2,051	-
Advance corporation tax payable	4,625	-
Social security and other taxes	8,702	11,081
Other creditors	1,361	815
	57,547	34,389

The bank overdraft is secured.

9. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	1999 £	1998 £
Bank loans	4,219	5,508
Obligations under finance leases and hire purchase contracts	2,444	4,332
	6,663	9,840

The bank loans and overdraft are secured.

Obligations under finance leases and hire purchase contracts are secured.

PROSYS COMPUTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 1999 (CONT)

10. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred taxation £
Balance at 1 April 1998	-
Utilised during the year	-
Provided for the year	551
Adjustment to advance corporation tax	-
Other movements	(506)
Balance at 31 March 1999	45

11. SHARE CAPITAL

	1999 £	1998 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

12. TRANSACTIONS WITH DIRECTORS

Director's current account

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

	1999 £
G.V.Morgan	
Balance at 1 April 1998	50
Maximum balance outstanding during the year	(18,107)
Balance at 31 March 1999	393