

1865914

Drole Computing Services Limited
Accounts and reports
for the year ended
31 December 1999



Drole Computing Services Limited
Financial accounts
for the year ended 31 December 1999

Contents

Officers and appointees	1
Directors report	2 - 3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Cash flow statement	7
Notes to the accounts	8 - 11

The following page does not form part of the statutory accounts

Appendix

Trading and profit and loss account	12
-------------------------------------	----

Drole Computing Services Limited

Directors: C J Lester-Smith
Mrs V M Lester-Smith

Secretary: Seymour Macintyre Limited

Registered office: Worplesdon Chase
Pitch Place
Worplesdon
Guildford

Registered number: 1865914

Bankers: Bank of Scotland
Telford House
3 Mid New Cultins
Edinburgh

Auditors: darbys
certified accountants
Portland House
154 Trinity Street
Gainsborough
Lincolnshire

**Report of the directors
for the year ended 31 December 1999**

The directors present their annual report with the accounts of the company for the year ended 31 December 1999.

Principal activity

The principal activity of the company in the year under review was provision of computer consultancy services and this remains unchanged from last year.

Review of business

A summary of the results for the year is given on page 5 of the accounts. The directors consider the state of affairs to be satisfactory.

Dividends

The directors do not recommend the payment of a dividend.

Directors

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each 1998	
C J Lester-Smith	1	1
Mrs V M Lester-Smith	0	0

The above directors are also controlling directors of Delarue Charterhouse Holdings Limited who hold 974 ordinary shares.

Statement of directors' responsibilities

Company law requires the directors to prepare financial accounts 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 accounts the directors are required to:

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

Report of the directors (continued)
for the year ended 31 December 1999

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 accounts comply with the Companies Act 1985. 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.

Employees

The directors endeavour to ensure that as far as possible the training, career development and promotion of disabled persons is the same as for other employees. Should employees become disabled, every effort is made to ensure that their employment continues and appropriate retraining is received.

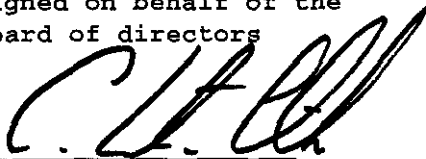
Events since the end of the year

No post balance sheet events have occurred since 31 December 1999.

Auditors

The auditors darbys will be proposed for reappointment in accordance with section 285 of the Companies Act 1985.

Signed on behalf of the
board of directors



C J Lester-Smith
Director

23 October 2000

**Auditors' report to the shareholders
Drole Computing Services Limited**

We have audited the financial accounts on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

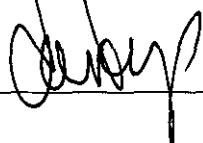
Basis of opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial accounts, 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 accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial accounts.

Opinion

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



darbys
registered auditors
certified accountants
Portland House
154 Trinity Street
Gainsborough
Lincolnshire

26.10.2000

Profit and loss account
for the year ended 31 December 1999

	Notes		1998
Turnover	2	15512736	16824749
Cost of turnover		1301968	1336753
Gross profit		14210768	15487996
Net operating expenses			
Administrative expenses		14361960	15579200
Operating loss	3	(151192)	(91204)
Income from investments	5	21016	18900
Loss on ordinary activities before interest		(130176)	(72304)
Interest payable	6	4637	102
Loss on ordinary activities before taxation		(134813)	(72406)
Tax on ordinary activities	7	-	(9146)
Loss on ordinary activities after taxation		£(134813)	£ (63260)
Statement of retained earnings			
Retained profit brought forward		141264	204524
Loss for the year		(134813)	(63260)
Retained profit carried forward		£ 6451	£ 141264

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 8 to 11 form part of these accounts.

Balance sheet
as at 31 December 1999

	Notes	1998	
Fixed assets			
Tangible assets	8	55301	70579
Current assets			
Debtors	9	1148364	1332085
Cash at bank and in hand		752038	1184906
		<u>1900402</u>	<u>2516991</u>
Creditors: Amounts falling due within one year	10	<u>(1948252)</u>	<u>(2445306)</u>
Net current (liabilities)/assets		<u>(47850)</u>	<u>71685</u>
Total assets less current liabilities		<u>£ 7451</u>	<u>£ 142264</u>
Capital and reserves			
Share capital	11	1000	1000
Profit and loss account		6451	141264
Total shareholders' funds	12	<u>£ 7451</u>	<u>£ 142264</u>

Signed on behalf of the
board of directors



C J Lester-Smith
Director

23 October 2000



Mrs V M Lester-Smith
Director

The notes on pages 8 to 11 form part of these accounts.

Drole Computing Services Limited

7

Cashflow Statement
for the year ended 31 December 1999

	Note		1998
Net cash (outflow)/inflow from operating activities	14	(388351)	176390
Returns on investments and servicing of finance			
Bank interest received	21016		18900
Interest paid on taxation	(4637)		(102)
		16379	18798
Taxation			
Tax paid		0	(25419)
Capital expenditure			
Purchase of tangible fixed assets	(117833)		(106160)
Sale of tangible fixed assets	56937		28910
		(60896)	(77250)
(Decrease)/increase in cash		(432868)	92519

Drole Computing Services Limited

Notes to the accounts
for the year ended 31 December 1999

1 Accounting policies

Basis of accounting

The accounts have been prepared under the historical cost convention.

Turnover

Turnover represents amounts invoiced to customers during the year net of value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures & equipment	33% per annum on a straight line basis
----------------------	--

Deferred taxation

Deferred Taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

Pensions

Contributions payable for the year are charged to the profit and loss account.

2 Turnover

The turnover and loss (1998 - loss) before taxation for the year is attributable to the principal activity of the company which is provision of computer consultancy services and this remains unchanged from last year.

Turnover attributable to each geographical market is as follows:

	£	1998 £
United Kingdom	12818650	15574705
Europe	2692960	1233329
United States of America	1126	16715
	<u>15512736</u>	<u>16824749</u>

Drole Computing Services Limited

9

Notes to the accounts
for the year ended 31 December 1999

3 Operating loss

The operating loss (1998 - loss) is stated
after charging:

	£	1998 £
Depreciation of tangible fixed assets	76174	69181
Staff costs - note 4	12800522	14145229
Auditors' remuneration	1200	1200
	<u> </u>	<u> </u>

4 Staff costs

The costs incurred

Wages and salaries	11592422	12892382
Social security costs	1189096	1232647
Pension costs	19004	20200
	<u> </u>	<u> </u>
	12800522	14145229
	<u> </u>	<u> </u>

The average monthly number of employees
during the year was as follows:

	No.	No.
Consultants	302	257
	<u> </u>	<u> </u>

5 Income from investments

	£	£
Bank interest received	21016	18900
	<u> </u>	<u> </u>

6 Interest payable

Interest on late paid tax	3595	102
Bank interest	1042	-
	<u> </u>	<u> </u>
	4637	102
	<u> </u>	<u> </u>

7 Taxation

The tax charge on the loss on ordinary
activities was as follows:

Corporation tax	-	(9146)
	<u> </u>	<u> </u>

Corporation tax has been charged on the loss at 0% (1998 21%).

Notes to the accounts
for the year ended 31 December 1999

8 Tangible fixed assets

Fixtures &
Equipment
£

Cost

At 1 January 1999	202054
Additions in the year	117833
Disposals in the year	(130565)

At 31 December 1999	189322
---------------------	--------

Depreciation

At 1 January 1999	131475
Write off on disposal	(73628)
Charge for the year	76174

At 31 December 1999	134021
---------------------	--------

Net book value

At 31 December 1999	55301
At 31 December 1998	70579

9 Debtors

1998

£

£

Amounts due within one year:

Trade debtors	683433	810475
Other debtors	144446	223145
Taxation	40485	18465
	868364	1052085

Amounts due in more than one year:

Inter company loan	280000	280000
	1148364	1332085

10 Creditors: Amounts falling due within one year

Trade creditors	338145	238294
Sundry creditors	965041	1067027
Other creditors:		
Social security and other taxes	643635	1073135
Loan Alenia	-	64450
Accruals	1431	2400
	1948252	2445306

Notes to the accounts
for the year ended 31 December 1999

11 Share capital

	£	1998 £
Authorised, ordinary shares of £1 each	<u>1000</u>	<u>1000</u>
Allotted, issued and fully paid	<u>1000</u>	<u>1000</u>

12 Reconciliation of movements in shareholders' funds

Loss for the financial year	(134813)	(63260)
Opening shareholders' funds	<u>142264</u>	<u>205524</u>
Closing shareholders' funds	<u>7451</u>	<u>142264</u>

13 Holding company

The ultimate holding company is Delarue Charterhouse Group Holdings Limited, which holds 974 shares in the company, and is incorporated in the United Kingdom.

Included within these accounts are management charges of £155000 from the holding company.

14 Notes to the cash flow statement

Reconciliation of operating (loss)/(loss) to operating cash flows

Operating (loss)	(151192)	(91204)
Depreciation	76174	70132
Profit on sale of fixed assets	-	(951)
Decrease/(increase) in debtors	183721	(82305)
(Decrease)/increase in creditors	<u>(497054)</u>	<u>280718</u>
Net cash (outflow)/inflow from operating activities	<u>(388351)</u>	<u>176390</u>

Analysis of changes in net cash

	At start of year £	Cash flows £	At end of year £
Cash at bank and in hand	<u>1184906</u>	<u>432868</u>	<u>752038</u>