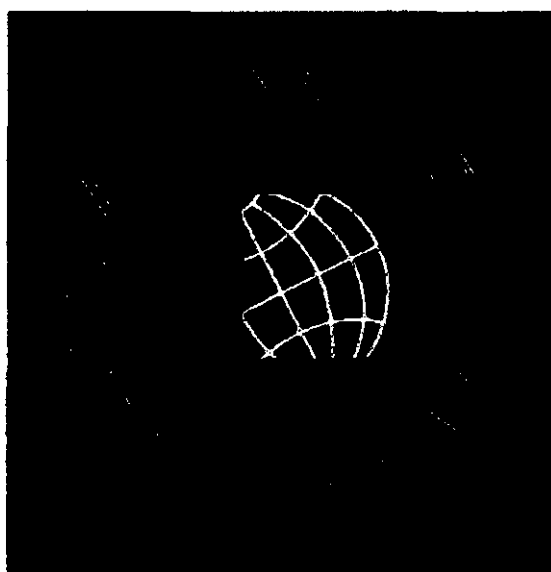


Company Number: 02824670

Advanced Computer Group Limited

**Financial Statements
For The Accounting Period Ending 30th June 2000**



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ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

Company Information

Directors	Mr. M H T Robinson Ms S Nair
Secretary	Mr. M H T Robinson
Company Number	02824670
Registered Office	15 St Helen's Place London EC3A 6DE
Auditors	Leslie Michael Lipowicz & Co. Accounts House 16 Dalling Road Hammersmith London W6 0JB
Solicitors	Roiter Zucker Regent House 5-7 Broadhurst Gardens Swiss Cottage London NW6 3RZ
Bankers	Barclays Bank PLC Strand Business Centre Burleigh House PO Box 90 Strand London WC2R 0NX

ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

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ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

Directors Report

The Directors submit their report and the financial statements for the year ended 30th June 2000.

Principle Activity

The principal activity of the company during the year was the provision of Information Technology consultancy services and training.

Directors

The directors who served during the year and their interests in the company's issued share capital at the balance sheet date and at the start of the year were:

	Founders £1 Shares		Ordinary £1 Shares	
	2000	1999	2000	1999
Mr M H T Robinson	15	-	-	15
Ms S Nair	15	-	-	15

Movement in Share Capital

On the 7th July 1999 the authorised Ordinary Share Capital and Founder Share Capital were both increased to 1,000,000 shares each. The existing 30 allotted Ordinary shares were converted to 30 Founder shares. A further 14,050 Ordinary shares were issued to staff of the company as part of an employee share incentive scheme. At a company meeting, each Ordinary share has the right to one vote and each Founder share has the right to fifty thousand votes.

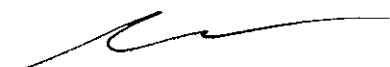
Auditors

During the period, Pannell Kerr Forster resigned as auditors and Leslie Michael Lipowicz & Co were appointed. A resolution to reappoint them will be put to the annual general meeting in accordance with section 385 of the Companies Act 1985.

Basis of Preparation

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

By Order of the Board



M H T Robinson
Secretary
20th December 2000

ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

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 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 judgments 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

Auditors Report To The Shareholders of Advanced Computer Group Limited

We have audited the financial statements on pages 4 to 10 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historic cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors & Auditors

As described on page 2 the company's directors are 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. 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 judgments made by the directors in the preparation of the 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 other irregularity or error. 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 affairs of the company as at 30th June 2000 and of it's profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



LESLIE MICHAEL LIPOWICZ & CO
Chartered Accountants
Registered Auditor
21st December 2000

ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

Profit & Loss Account

	Notes	Year Ended 30th June 2000	Year Ended 30th June 1999
TURNOVER	2	1,401,883	1,617,387
Cost of Sales		<u>(308,893)</u>	<u>(513,171)</u>
GROSS PROFIT		1,092,990	1,104,216
Administrative expenses		<u>(950,417)</u>	<u>(969,321)</u>
OPERATING PROFIT	3	142,573	134,895
Interest receivable and similar items		7,432	4,087
Interest payable and similar items		<u>(1,764)</u>	<u>(314)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		148,241	138,668
TAXATION	5	<u>(37,000)</u>	<u>(18,087)</u>
PROFIT FOR THE ACCOUNTING PERIOD		111,241	120,581
Dividends	6	<u>(100,439)</u>	<u>(40,000)</u>
PROFIT FOR THE ACCOUNTING PERIOD		10,802	80,581
PROFIT AND LOSS RESERVE BROUGHT FORWARD		<u>339,790</u>	<u>259,209</u>
PROFIT AND LOSS RESERVE CARRIED FORWARD		<u>350,592</u>	<u>339,790</u>

All amounts relate to continuing operations

The Notes on Pages 6 to 10 form an integral part of these Financial Statements.

ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

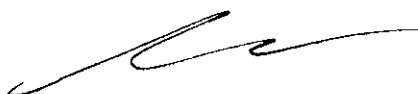
Balance Sheet

	Notes	2000 £	1999 £
Fixed Assets			
Tangible	7	65,445	74,225
Investments	8	<u>102</u>	<u>78</u>
		65,547	74,303
Current Assets			
Work in Progress	9	3,250	3,250
Debtors	10	467,461	518,208
Cash at Bank and in hand		<u>124,800</u>	<u>108,161</u>
		595,511	629,619
Creditors falling due within one year	11	<u>(296,316)</u>	<u>(364,032)</u>
Net Assets		<u>364,742</u>	<u>339,890</u>
Capital and Reserves			
Called Up Share Capital	12	14,080	30
Capital redemption reserve		70	70
Profit and Loss Account		<u>350,592</u>	<u>339,790</u>
Shareholders Funds	13	<u>364,742</u>	<u>339,890</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on the 20th December 2000.

Signed on behalf of the board of directors



M H T Robinson

The Notes on Pages 6 to 10 form an integral part of these Financial Statements.

ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

Notes to the Financial Statements

1. Accounting Policies

Basis of Preparation of Financial Statements

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

The company is exempt from the requirement to prepare group accounts by virtue of section 248 of the Companies Act 1985. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of value added tax and trade discounts.

Depreciation

Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives.

In the current year, the method of calculating depreciation was changed from straight-line basis to reducing balance as this was felt by the directors to present a more accurate value of the tangible fixed asset on an ongoing basis.

The rates are as follows:

2000

Computer & office equipment	33% Reducing Balance per annum
Fixtures & fittings	33% Reducing Balance per annum

Operating leases

Operating lease rentals are charged in the profit and loss account on a straight-line basis over the lease term.

Investments

Fixed assets investments are included in the company's balance sheet at cost.

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Deferred taxation

Provision is made for deferred tax using the liability method to the extent that it is probable that a liability will crystallise.

ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

2. Turnover

Turnover is attributable to one class of business and all arose within the United Kingdom.

3. Operating Profit/(Loss)

The operating profit/(loss) is stated after charging:

	2000 £	1999 £
Depreciation	32,840	13,741
Audit Fees	5,000	7,900
Operating lease rentals - other	83,395	31,873

4. Directors' Emoluments and Benefits

	2000 £	1999 £
Directors Remuneration	955	91,536

5. Taxation

	2000 £	1999 £
UK Corporation Tax Provision for Current Year	<u>37,000</u>	<u>18,087</u>

6. Dividends

	2000 £	1999 £
Ordinary Shares		
Dividends proposed	7,338	-
Founder Shares		
Dividends proposed	40,000	40,000
Dividends paid	53,101	-

ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

7. Tangible Fixed Assets

	Computer & Office Equipment	Fixtures & fittings	Total
Cost			
As at 1 st July 1999	121,320	24,408	145,728
Additions	<u>14,080</u>	<u>9,951</u>	<u>24,031</u>
As at 30 th June 2000	<u>135,400</u>	<u>34,359</u>	<u>169,759</u>
Depreciation			
As at 1 st July 1999	66,848	4,655	71,503
Charge for year	<u>22,850</u>	<u>9,961</u>	<u>32,811</u>
As at 30 th June 2000	<u>89,698</u>	<u>14,616</u>	<u>104,314</u>
Net Book Value			
As at 30 th June 2000	<u>45,702</u>	<u>19,743</u>	<u>65,445</u>
As at 30 th June 1999	<u>54,472</u>	<u>19,753</u>	<u>74,225</u>

8. Fixed Asset Investments

	Shares in group undertakings £
Cost	
As at 30 th June 2000	<u>102</u>

Investments represent the costs of shares in Advanced Computer Management Limited, Advanced Computer Education Limited and IT Integrity Limited, companies incorporated in Great Britain. The investments comprise a holding of 100% of the issued ordinary share capital and voting rights of each company. IT Integrity Limited provides IT recruitment activities and the other two subsidiaries are dormant.

9. Stocks

	2000 £	1999 £
Work in progress	<u>3,250</u>	<u>3,250</u>

ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

10. Debtors

	2000	1999
	£	£
Trade Debtors	369,638	417,378
Amounts due from group undertakings	-	2,445
Other Debtors	<u>97,823</u>	<u>98,385</u>
	<u>467,461</u>	<u>518,208</u>

11. Creditors - Amounts falling due within one year

	2000	1999
	£	£
Trade creditors	96,870	132,310
Amounts owed to group undertakings	25,934	102
Corporation tax	46,684	51,171
Other tax and social security	66,129	65,431
Other creditors	8,361	64,469
Accruals and deferred Income	5,000	50,549
Dividends Proposed	<u>47,338</u>	<u>-</u>
	<u>296,316</u>	<u>364,032</u>

12. Share Capital

	2000	1999
	£	£
Authorised		
Ordinary Shares of £1 each	<u>1,000,000</u>	<u>-</u>
Founder Shares of £1 each	<u>1,000,000</u>	<u>1,000</u>
	2000	1999
	£	£
Alloted Called up and fully paid		
14,050 Ordinary shares of £1 each	14,050	-
30 Founder shares of £1 each	<u>30</u>	<u>30</u>
	<u>14,080</u>	<u>14,080</u>

On the 7th July 1999 the authorised Ordinary share capital and Founder share capital were both increased to 1,000,000 shares each. The existing 30 alloted Ordinary shares were converted to 30 Founder shares. A further 14,050 Ordinary shares were issued.

At a company meeting, each Ordinary share has the right to one vote and each Founder share has the right to fifty thousand votes.

ADVANCED COMPUTER GROUP LIMITED

Financial Statements For The Accounting Period Ending 30th June 2000

13. Shareholders Funds

	2000 £	1999 £
Shareholders funds at 1 st July 1999	339,890	259,309
Ordinary Shares Issued in year	<u>14,050</u>	-
	353,940	259,309
Profit/(Loss) for year	111,241	120,581
Dividends	<u>(100,439)</u>	<u>(40,000)</u>
Shareholders funds at 30 th June 2000	<u>364,742</u>	<u>339,890</u>

14. Other Commitments

As at 30th June 2000 the company had annual commitments under operating leases as follows:

	Land and Buildings	
	2000 £	1999 £
Due between 1 and 5 years	<u>79,175</u>	<u>79,175</u>

15. Transactions with Related Parties

Included within creditors is a loan of £8,317 (1999 - £68,886) from Mr. M H T Robinson, director. This relates to expenses paid on behalf of the company. The maximum owed in the year was £68,886.

Also included within creditors is a balance of £33 (1999 - £1,572) from Ms S Nair, a director, in respect of expenses paid on behalf of the company. The maximum amount owed during the year was £1,572.

At 30th June 2000, £51 (1999-£51) was due to Advanced Computer Management Limited, a subsidiary undertaking. The companies did not trade with each other and the balances did not move during the year.

At 30th June 2000, £51 (1999 - £51) was due to Advanced Computer Education Limited, a subsidiary undertaking. The companies did not trade with each other and the balances did not move during the year.

At 30th June 2000, £25,832 was due to IT Integrity Limited (1999 - £2,445 was due from IT Integrity Limited), a subsidiary undertaking. This relates to trading between the company on an arms length basis and the payment of expenses by IT Integrity Limited on behalf of the company.

16. Parent Undertakings and Controlling Parties

The company is controlled by Mr. M H T Robinson and Ms S N Nair.