

Report of the Directors and
Financial Statements
for the Year Ended 31 July 1999
for
Xenon Technology Limited



Company Information
for the Year Ended 31 July 1999

DIRECTORS:

N H Spanbok
P Elder
J E Wiles

SECRETARY:

Philip Elder

REGISTERED OFFICE:

Kemp House
152-160 City Road
London
EC1V 2NP

REGISTERED NUMBER:

3046709 (England and Wales)

AUDITORS:

Parfitt & Co
Chartered Accountants
Huntercombe
Battle Bridge
Warfield
Bracknell
Berks RG42 6AE

Report of the Directors
for the Year Ended 31 July 1999

The directors present their report with the financial statements of the company for the year ended 31 July 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the supply of computer hardware and software.

DIRECTORS

The directors during the year under review were:

N H Spanbok
P Elder
J E Wiles

The beneficial interests of the directors holding office on 31 July 1999 in the issued share capital of the company were as follows:

	31.7.99	1.8.98
Ordinary £1 shares		
N H Spanbok	251	251
P Elder	251	251
J E Wiles	251	251

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 judgements 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.

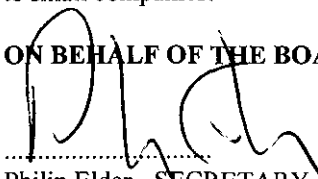
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

The auditors, Parfitt & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This 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:


Philip Elder - SECRETARY

Dated: 13/03/2000

Report of the Auditors to the Shareholders of
Xenon Technology Limited

We have audited the financial statements on pages four to eight which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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 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 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 the company's affairs as at 31 July 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Parfitt & Co
Chartered Accountants
Huntercombe
Battle Bridge
Warfield
Bracknell
Berks RG42 6AE

Parfitt & Co

Dated:

28th Mar 2000

Profit and Loss Account
for the Year Ended 31 July 1999

		1999		1998	
	Notes	£	£	£	£
TURNOVER			426,277		486,782
Cost of sales			98,891		125,235
GROSS PROFIT			327,386		361,547
Distribution costs		2,714		3,142	
Administrative expenses		42,380		38,032	
			45,094		41,174
OPERATING PROFIT	2		282,292		320,373
Interest receivable and similar income			1,907		2,095
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			284,199		322,468
Tax on profit on ordinary activities	3		61,938		67,807
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			222,261		254,661
Dividends	4		234,936		192,768
			(12,675)		61,893
Retained profit brought forward			129,417		67,524
RETAINED PROFIT CARRIED FORWARD			£116,742		£129,417

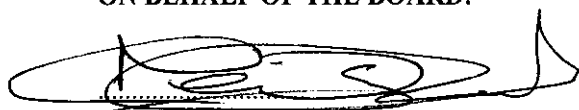
The notes form part of these financial statements


Balance Sheet
31 July 1999

		1999		1998	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		4,996		7,244
CURRENT ASSETS:					
Stocks		24,378		24,784	
Debtors	6	95,545		84,790	
Cash at bank		41,612		57,483	
		161,535		167,057	
CREDITORS: Amounts falling due within one year	7	49,036		44,131	
NET CURRENT ASSETS:			112,499		122,926
TOTAL ASSETS LESS CURRENT LIABILITIES:			£117,495		£130,170
CAPITAL AND RESERVES:					
Called up share capital	9		753		753
Profit and loss account			116,742		129,417
Shareholders' funds			£117,495		£130,170

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective March 1999).

ON BEHALF OF THE BOARD:


N H Spanbok - DIRECTOR


J E Wiles - DIRECTOR

Approved by the Board on 13/3/2000

**Notes to the Financial Statements
for the Year Ended 31 July 1999****1. ACCOUNTING POLICIES****Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

Turnover

Turnover represents net invoiced sales of goods and services, excluding 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.

Computer equipment - 25% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

2. OPERATING PROFIT

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

	1999	1998
	£	£
Depreciation - owned assets	3,896	3,382
Auditors' remuneration	1,566	1,491
Foreign exchange differences	874	(144)
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	<u>9,600</u>	<u>9,600</u>

3. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	1999	1998
	£	£
UK corporation tax	<u>61,938</u>	<u>67,807</u>

UK corporation tax has been charged at 20.67% (1998 - 21%).

4. DIVIDENDS

	1999	1998
	£	£
Interim	<u>234,936</u>	<u>192,768</u>

Notes to the Financial Statements
for the Year Ended 31 July 1999

5. TANGIBLE FIXED ASSETS

	Computer equipment
	£
COST:	
At 1 August 1998	14,547
Additions	1,647
	<hr/>
At 31 July 1999	16,194
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DEPRECIATION:	
At 1 August 1998	7,302
Charge for year	3,896
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At 31 July 1999	11,198
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NET BOOK VALUE:	
At 31 July 1999	4,996
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At 31 July 1998	7,244
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**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1999	1998
	£	£
Trade debtors	88,899	82,722
Prepayments & accrued income	2,542	2,068
ACT recoverable	4,104	-
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	95,545	84,790
	<hr/>	<hr/>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	1999	1998
	£	£
Trade creditors	11,606	11,829
Sales billed in advance	7,458	-
V.A.T.	7,059	10,870
Taxation	21,013	19,615
Accrued expenses	1,900	1,817
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	49,036	44,131
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8. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	1999	1998
	£	£
Expiring:		
Within one year	2,460	2,460
	<hr/>	<hr/>

Notes to the Financial Statements
for the Year Ended 31 July 1999

9. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	1999 £	1998 £
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted and issued:

Number:	Class:	Nominal value:	1999 £	1998 £
753	Ordinary	£1	<u>753</u>	<u>753</u>