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1... LIMITED

ABBREVIATED ACCOUNTS

**FOR THE YEAR ENDED
30 SEPTEMBER 1999**



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COMPANIES HOUSE

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AUDITORS' REPORT TO 1... LIMITED
under section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2 to 5 together with the financial statements of 1... LIMITED for the year ended 30 September 1999 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

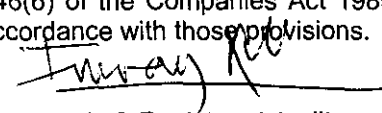
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246 (5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985 and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.


Imray & Co.
Chartered Accountants & Registered Auditors
38 Station Road
Cambridge
CB1 2JH

27 January 2000

ABBREVIATED BALANCE SHEET
As at 30 September 1999

	Note	£	1999 £	£	1998 £
FIXED ASSETS					
Tangible fixed assets	2		26,824		7,241
CURRENT ASSETS					
Debtors		13,351		2,209	
Cash at bank and in hand		755,922		96,396	
		<u>769,273</u>		<u>98,605</u>	
CREDITORS: amounts falling due within one year		(56,259)		(19,868)	
NET CURRENT ASSETS			<u>713,014</u>		<u>78,737</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>739,838</u>		<u>85,978</u>
PROVISIONS FOR LIABILITIES AND CHARGES			<u>(1,211)</u>		<u>(2,421)</u>
NET ASSETS			<u>£ 738,627</u>		<u>£ 83,557</u>
CAPITAL AND RESERVES					
Called up share capital	3		1,522		1,246
Share premium account			1,299,333		276,734
Profit and loss account			<u>(562,228)</u>		<u>(194,423)</u>
SHAREHOLDERS' FUNDS			<u>£ 738,627</u>		<u>£ 83,557</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 abbreviated accounts were approved by the board on 27 January 2000 and signed on its behalf.

Dr A. Hodley

Director

D.A. Gillett

Director

The notes on pages 3 to 5 form part of these financial statements.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 September 1999

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The accounts have been prepared under the historical cost convention.

During the year under review the company has met its working capital requirements as a result of funds received from shareholders. No sales have been made and the funds are being used to develop the company's products.

Subsequent to the year end, development work has continued, further funds have been received from shareholders and additional receipts are expected from government grants. Additionally, it is expected that shareholders will commit further funds as may be necessary to complete the development process. As a result, the directors anticipate that sufficient funds will become available to meet the company's commitments and believe it is appropriate to prepare the accounts on the going concern basis, which assumes that the company will continue in operational existence for the foreseeable future.

If the company was unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the value of assets to their recoverable amounts, to provide for further liabilities that might arise and to classify fixed assets as current assets.

1.2 Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1.

1.3 Turnover

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

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant & machinery	-	33%	Straight line
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1.5 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

1.6 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.7 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 September 1999

1.8 Pensions

The company contributes to the personal pension plan of a director and the pension charge represents the amounts payable by the company to the fund for the year.

1.9 Research and development

Expenditure on research and development is written off as it is incurred. Plant and equipment acquired for research and development is written off on a straight line basis at the rate of 33% per annum.

1.10 Government grants

Government grants are disclosed in the profit and loss account and matched against the relevant expenditure on research and development. Grants relating to the purchase of plant and equipment are capitalised and are matched against depreciation by crediting them to the profit and loss account at the rate of 33% per annum.

2. TANGIBLE FIXED ASSETS

	£
Cost	
At 1 October 1998	18,213
Additions	34,934
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At 30 September 1999	53,147
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Depreciation	
At 1 October 1998	10,972
Charge for year	15,351
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At 30 September 1999	26,323
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Net Book Value	
At 30 September 1999	£ 26,824
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At 30 September 1998	£ 7,241
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3. CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised		
40,000 Ordinary shares of £0.10 each	£ 4,000	£ 2,000
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Allotted, called up and fully paid		
15,219 Ordinary shares of £0.10 each	£ 1,522	£ 1,246
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During the year the authorised share capital was increased from 20,000 ordinary shares of £0.10 each to 40,000 and 2,759 ordinary shares of £0.10 each were issued fully paid for cash of between £180 and £395 per share.

NOTES TO THE ABBREVIATED ACCOUNTS
For the year ended 30 September 1999

4. RELATED PARTIES

During the year, the company operated from premises owned by Dr A.Hooley and Dr L. J. Tilbrook and paid sums amounting to £5,000 (1998: £7,500) in respect of its office occupancy. In addition, charges for the hire of equipment and engineering services amounting to £1,355 (1998:£1,592) were made by Dr A. Hooley trading as Cambridge Computer Advisers.