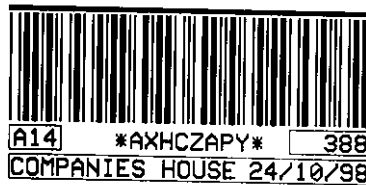


MAHONY ASSOCIATES LIMITED

ABBREVIATED STATUTORY ACCOUNTS

YEAR ENDED 31 DECEMBER 1997



COMPANY NUMBER: 3143707

MAHONY ASSOCIATES LIMITED

REPORT OF THE AUDITOR TO MAHONY ASSOCIATES LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

I have examined the abbreviated accounts set out on pages 2 to 5, together with the financial statements of Mahony Associates Limited for the year ended 31 December 1997 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 my responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts 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 report my opinion to you.

Basis of opinion

I have carried out the procedures I 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.

Opinion

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



I. C. Bubba FCCA
Registered Auditor

23 October 1998

100 High Street
Whitstable
Kent
CT5 1AT

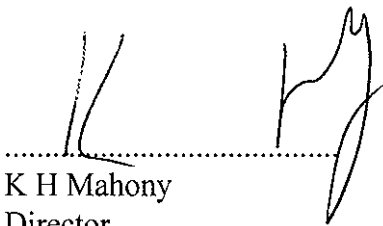
MAHONY ASSOCIATES LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1997

		1997		1996	
	Notes	£	£	£	£
Fixed assets	2		36,156		393
Current assets					
Work in progress		20,185		-	
Debtors	3	35,287		27,366	
Cash at bank and in hand		30,802		4,112	
		<u>86,274</u>		<u>31,478</u>	
Creditors: amounts falling due within one year	4	(100,035)		(23,513)	
Net current assets			(13,761)		7,965
Net assets			<u>£ 22,395</u>		<u>£ 8,358</u>
Capital and reserves					
Called up share capital	5		100		2
Profit and loss account			22,295		8,356
Share holders funds			<u>£ 22,395</u>		<u>£ 8,358</u>

The financial statements which have been prepared in accordance with the special provisions of PART VII of the Companies Act 1985 applicable to small companies were approved by the board on 19 October 1998 and were signed on its behalf by:



 K H Mahony
 Director

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

MAHONY ASSOCIATES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1997

1. PRINCIPAL ACCOUNTING POLICIES

Basis of accounting

The accounts have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage of the exemption under FRS1 not to prepare a cash flow statement.

Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

Fixed assets and depreciation

Tangible fixed assets are stated at their purchase price, together with any incidental expenses of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful economic lives of the assets concerned.

The principal annual rates used for this purpose are:

Fixtures and fittings	15% Straight line basis
Computer equipment	15% Straight line basis

Deferred taxation

Deferred taxation is provided where there is reasonable probability of the amount becoming payable in the foreseeable future.

Leasing and hire purchase

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or the net obligations outstanding.

Rentals payable under operating leases are taken to the profit and loss account on a straight line basis over the lease term.

Work in progress

Work in progress is stated at cost. Cost comprises direct costs of materials purchased and both employed and sub contract labour used on a specific contract.

MAHONY ASSOCIATES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1997

2. TANGIBLE FIXED ASSETS

	Total £
Cost	
At 1 January 1997	463
Additions	42,158
	<u>42,621</u>
At 31 December 1997	<u>42,621</u>
Depreciation	
At 1 January 1997	70
Charge for the year	6,395
	<u>6,465</u>
At 31 December 1997	<u>6,465</u>
Net book value	
At 31 December 1997	<u>36,156</u>
At 31 December 1996	<u>393</u>

3. DEBTORS

	1997 £	1996 £
Trade debtors	26,971	23,485
Other debtors	5,000	1,935
Related company	2,421	1,093
Prepayments and accrued income	895	853
	<u>35,287</u>	<u>27,366</u>

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

	1997 £	1996 £
Trade creditors	20,995	340
Other creditors	13,187	-
Corporation tax	9,686	2,802
Other taxes and social security	42,765	18,783
Directors current account	6,821	-
Accruals and deferred income	6,581	1,588
	<u>100,035</u>	<u>23,513</u>

MAHONY ASSOCIATES LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 31 DECEMBER 1997

5. SHARE CAPITAL

	1997	1996
	£	£
Authorised		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
At 1 January 1997:		
2 ordinary shares of £1 each	2	-
Shares issued during the year	98	2
	<u> </u>	<u> </u>
At 31 December 1997	<u>100</u>	<u>2</u>

6. RELATED PARTY TRANSACTIONS

At the year end there was a balance of £2,421 (1996: £1,093) due from Mahony-King Limited, of which K Mahony is a director and shareholder.

Fixed assets of £6,501 were purchased by Mahony Associates Limited from Mahony-King Limited during the year. The price agreed between the companies was the written down value in the books of Mahony-King Limited.

The directors consider that there were no other related party transactions that should be disclosed.