

ROUSE & CO INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

30 APRIL 2000

 **Bessler Hendrie**
Chartered Accountants

River House
6 Walnut Tree Park
Walnut Tree Close
Guildford
Surrey GU1 4TW



ROUSE & CO INTERNATIONAL LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

P E Rouse
R A Ross-Macdonald
S D Adams
A J T Willoughby

SECRETARY

J J Byrne

REGISTERED OFFICE

The Isis Building
Thames Quay
193 Marsh Wall
London E14 9SG

AUDITORS

Bessler Hendrie
Chartered Accountants
River House
6 Walnut Tree Park
Walnut Tree Close
Guildford
Surrey GU1 4TW

ROUSE & CO INTERNATIONAL LIMITED

DIRECTORS' REPORT

The directors submit their report and the financial statements of Rouse & Co International Limited for the year ended 30 April 2000.

PRINCIPAL ACTIVITIES

The principal activity of the group is the management, protection and exploitation of intellectual property throughout the world.

REVIEW OF THE BUSINESS

The consolidated results for the year are set out on page 6. The directors are satisfied with the results for the year. With a significant increase in turnover during the year and a minimal increase in overhead costs the group showed a satisfactory level of profitability for the year.

The directors consider the trading results of the year to 30 April 2001 will show further growth in turnover and an improvement in profitability.

RESULTS AND DIVIDENDS

The group profit for the year after taxation was £605,498 (1999: loss £650,904).

The directors do not recommend the payment of a dividend on ordinary shares of the company and therefore the profit of £605,498 (1999: loss £650,904) has been taken to reserves.

DIRECTORS

The following directors have held office since 1 May 1999:-

P E Rouse
R A Ross-Macdonald
S D Adams
A J T Willoughby

ROUSE & CO INTERNATIONAL LIMITED**DIRECTORS' REPORT**

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, were as follows:-

	Ordinary shares of 10p each 30 April 2000	Ordinary shares of 10p each 30 April 1999
P E Rouse	56,099	157,473
R A Ross-Macdonald	101,316	101,316
S D Adams	88,177	88,177
A J T Willoughby	106,301	106,301

PURCHASE OF OWN SHARES

During the year the company reduced its share capital by the purchase 101,374 ordinary shares with a nominal value of £10,137, representing 17.3% of the total issued share capital at that date. The shares were cancelled. The aggregate consideration paid was £182,473.

POLITICAL AND CHARITABLE DONATIONS

The group made charitable donations totalling £1,965 during the year.

POST BALANCE SHEET EVENT

In September 2000 the 94,500 shares held in Geodesia Limited were sold realising total proceeds of £170,000. This resulted in a loss on disposal of £133,440, which has been reflected by a write-down of the value of the investment in these accounts.

AUDITORS

A resolution to reappoint Bessler Hendrie, Chartered Accountants, who were appointed during the year, as auditors will be put to the members at the Annual General Meeting.

By order of the Board



Secretary

26 FEB 2001

ROUSE & CO INTERNATIONAL LIMITED

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF
FINANCIAL STATEMENTS**

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:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 requirements of 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' REPORT TO THE MEMBERS OF

ROUSE & CO INTERNATIONAL LIMITED

We have audited the financial statements on pages 6 to 19.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 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 affairs of the company and of the group at 30 April 2000 and of the group profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bessler Hendrie

Registered Auditor
River House
6 Walnut Tree Park
Walnut Tree Close
Guildford
Surrey GU1 4TW

27 February 2001

ROUSE & CO INTERNATIONAL LIMITED**CONSOLIDATED PROFIT AND LOSS ACCOUNT**
for the year ended 30 April 2000

	Notes	2000	1999
TURNOVER	1	6,173,285	5,226,716
Change in value of work in progress		389,029	61,935
		<hr/>	<hr/>
		6,562,314	5,288,651
Other operating charges	2	5,722,601	5,769,807
		<hr/>	<hr/>
OPERATING PROFIT/(LOSS)		839,713	(481,156)
Interest receivable	3	2,258	349
		<hr/>	<hr/>
		841,971	(480,807)
Interest payable	4	122,508	81,708
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	5	719,463	(562,515)
Taxation	7	113,965	88,389
		<hr/>	<hr/>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	18	£ 605,498	£ (650,904)
		<hr/>	<hr/>

The operating loss for the year arises from the company's continuing operations.

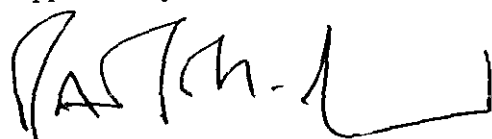
No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

CONSOLIDATED BALANCE SHEET

30 April 2000

	Notes	2000	1999
FIXED ASSETS			
Tangible assets	8	693,576	744,448
Investments	9	170,000	-
		<u>863,576</u>	<u>744,448</u>
CURRENT ASSETS			
Work in progress	10	543,373	153,720
Debtors	11	2,618,426	2,285,230
Cash at bank and in hand		272,854	97,054
		<u>3,434,653</u>	<u>2,536,004</u>
CREDITORS			
Amounts falling due within one year	12	3,102,280	2,486,515
		<u>332,373</u>	<u>49,489</u>
NET CURRENT ASSETS/(LIABILITIES)			
		<u>1,195,949</u>	<u>793,937</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	13	265,196	423,592
		<u>£ 930,753</u>	<u>£ 370,345</u>
CAPITAL AND RESERVES			
Called up share capital	16	54,189	58,527
Share premium account	17	859,818	892,954
Capital reserve	17	87,563	87,563
Profit and loss account	18	(70,817)	(668,699)
		<u>£ 930,753</u>	<u>£ 370,345</u>
SHAREHOLDERS' FUNDS			
	19	<u>£ 930,753</u>	<u>£ 370,345</u>

Approved by the Board on 26 FEB 2001



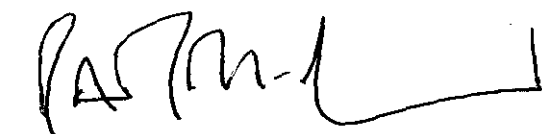
..... Director

ROUSE & CO INTERNATIONAL LIMITED

PARENT COMPANY BALANCE SHEET

30 April 2000

	Notes	2000	1999
FIXED ASSETS			
Tangible assets	8	499,551	504,270
Investments	9	206,752	36,752
		<u>706,303</u>	<u>541,022</u>
CURRENT ASSETS			
Stock and work in progress	10	150,049	110,389
Debtors	11	2,380,383	2,510,368
Cash at bank and in hand		89,510	15,251
		<u>2,619,942</u>	<u>2,636,008</u>
CREDITORS			
Amounts falling due within one year	12	3,030,925	2,735,501
		<u>(410,983)</u>	<u>(99,493)</u>
NET CURRENT (LIABILITIES)			
		<u>295,320</u>	<u>441,529</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	13	265,196	423,592
		<u>£ 30,124</u>	<u>£ 17,937</u>
CAPITAL AND RESERVES			
Called up share capital	16	54,189	58,527
Share premium account	17	859,818	892,954
Profit and loss account	18	(883,883)	(933,544)
SHAREHOLDERS' FUNDS			
	19	<u>£ 30,124</u>	<u>£ 17,937</u>

Approved by the Board on **26 FEB** 2001


..... Director

ROUSE & CO INTERNATIONAL LIMITED**Financial statements for the year ended 30 April 2000****ACCOUNTING POLICIES**

BASIS OF ACCOUNTING

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

BASIS OF CONSOLIDATION

The group accounts consolidate the accounts of the company and all of its subsidiary undertakings.

As permitted by Section 230 of the Companies Act 1985, the profit and loss of the parent company has not been presented.

Subsidiaries acquired during the year are consolidated using the acquisition method. Their results are incorporated from the date that control passes.

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Leasehold improvements	over lease term
Computer equipment	33% on reducing balance
Office equipment, fixtures and fittings	25% on reducing balance
Motor vehicle	20% straight line

INVESTMENTS

Unlisted investments are stated at cost. Provision is made for any permanent diminution in value.

STOCKS AND WORK IN PROGRESS

Stocks and work in progress are valued at the lower of cost and net realisable value. Cost of work in progress includes direct salary costs, plus an apportionment of related overhead costs. Net realisable value is based upon estimated normal selling price less further costs expected to be incurred to completion. Provision is made for unbillable time.

ROUSE & CO INTERNATIONAL LIMITED**Financial statements for the year ended 30 April 2000****ACCOUNTING POLICIES**

DEFERRED TAXATION

Taxation deferred or accelerated by the effect of timing differences is accounted for on the liability method to the extent that it is probable that a liability will crystallise.

FOREIGN CURRENCY TRANSLATION

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange at the accounting date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

Fixed asset investments denominated in foreign currencies are translated into sterling at the rates of exchange current at the dates of the transactions except when financed by borrowings denominated in foreign currencies when both the investments and the borrowings are re-translated at the rates of exchange ruling at the end of the period.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are operating leases and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

TURNOVER

Turnover represents fees receivable during the period in respect of the company's principal activity.

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2000

1. TURNOVER AND PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION

The group's turnover and profit before taxation were all derived from its principal activity. Sales were made in the following geographical markets:

	2000	1999
United Kingdom	2,460,953	2,107,517
Hong Kong	432,537	958,761
China	1,484,566	1,046,090
Indonesia	497,617	380,032
Middle East	1,297,612	734,316
	<u>£ 6,173,285</u>	<u>£ 5,226,716</u>

2. OTHER OPERATING CHARGES

Staff costs	4,260,861	3,078,243
Operating expenses	1,668,855	2,810,141
Other operating income	(207,115)	(118,577)
	<u>£ 5,722,601</u>	<u>£ 5,769,807</u>

3. INTEREST RECEIVABLE

Bank interest	2,258	349
	<u>£ 2,258</u>	<u>£ 349</u>

4. INTEREST PAYABLE

Bank interest payable	92,367	44,830
Finance lease interest	23,255	33,814
Other interest	6,886	3,064
	<u>£ 122,508</u>	<u>£ 81,708</u>

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2000

	2000	1999
5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit/(loss) on ordinary activities before taxation is stated after charging:		
Depreciation and amounts written off tangible fixed:		
Charge for the year:		
owned assets	166,773	199,406
leased assets	85,505	114,019
(Profit)/Loss on disposal	37,196	5,152
Auditors' remuneration	45,404	24,812
(Profit)/Loss on exchange of foreign currency	16,773	(68,610)
Operating lease rentals:		
Land and buildings	310,935	343,813
Office equipment	59,694	9,252
Write down of fixed asset investment	133,440	-
Profit on sale of fixed asset investment	(55,810)	-
	<u> </u>	<u> </u>
6. EMPLOYEES		
The average weekly number of persons (including directors) employed by the group during the year was:	No.	No.
Administration	133	111
Management	18	18
	<u> </u>	<u> </u>
	151	129
	<u> </u>	<u> </u>
Staff costs for the above persons:		
Wages and salaries	3,989,828	3,014,267
Social security costs	246,886	41,120
	<u> </u>	<u> </u>
	£ 4,236,714	£ 3,055,387
	<u> </u>	<u> </u>
DIRECTORS' REMUNERATION		
Aggregate emoluments	£ 384,242	£ 519,989
	<u> </u>	<u> </u>
Highest paid director:		
Aggregate emoluments	£ 150,000	£ 207,706
	<u> </u>	<u> </u>
No pension costs were incurred in respect of the directors.		

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2000

	2000	1999
7. TAXATION		
Based on the profit for the year:		
UK Corporation tax at 30% (1999: 31%)	52,105	62,242
Over provision in earlier years	-	(1,126)
Double taxation relief	(24,040)	(28,566)
Overseas taxation suffered	85,900	55,839
	<u>£ 113,965</u>	<u>£ 88,389</u>

There are tax losses in the parent company of £142,000 available to be set against future trading profits in the company.

8. TANGIBLE FIXED ASSETS
GROUP

	Leasehold improvements	Furniture, fixtures and fittings	Office and computer equipment	Motor Vehicles	TOTAL
Cost:					
1 May 1999	5,200	453,837	681,118	41,185	1,181,340
Additions	2,220	29,274	218,633	-	250,127
Disposals	-	(27,227)	(107,676)	-	(134,903)
Exchange differences	150	1,571	6,509	-	8,230
30 April 2000	7,570	457,455	798,584	41,185	1,304,794
Depreciation:					
1 May 1999	2,175	150,208	278,331	6,178	436,892
Charge in the year	851	79,283	163,907	8,237	252,278
Disposals	-	(15,630)	(66,148)	-	(81,778)
Exchange differences	63	621	3,142	-	3,826
30 April 2000	3,089	214,482	379,232	14,415	611,218
Net book value:					
30 April 2000	4,481	242,973	419,352	26,770	£ 693,576
30 April 1999	3,025	303,629	402,787	35,007	£ 744,448

The net book value of furniture, fixtures and fittings, office and computer equipment, and motor vehicles includes £18,004 (1999: £27,619), £167,991 (1999: £245,705) and £26,770 (1999: £35,007) respectively in respect of assets held under hire purchase contracts. The depreciation charge on those assets was £85,505 (1999: £114,019).

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2000

8. TANGIBLE FIXED ASSETS continued

COMPANY

	Computer equipment	Office equipment	Furniture, fixtures and fittings	Motor Vehicles	TOTAL
Cost:					
1 May 1999	338,188	135,513	181,615	41,185	696,501
Additions	153,712	15,806	2,596	-	172,114
Disposals	(11,517)	(4,872)	-	-	(16,389)
30 April 2000	480,383	146,447	184,211	41,185	852,226
Depreciation:					
1 May 1999	108,996	33,758	43,299	6,178	192,231
Charge in the year	96,975	23,460	35,184	8,237	163,856
Disposals	(2,194)	(1,218)	-	-	(3,412)
30 April 2000	203,777	56,000	78,483	14,415	352,675
Net book value:					
30 April 2000	276,606	90,447	105,728	26,770	£ 499,551
30 April 1999	229,192	101,755	138,316	35,007	£ 504,270

The net book value of computer equipment, office equipment, furniture, fixtures and fittings and motor vehicles includes £111,772 (1999: £172,511), £56,219 (1999: £73,194), £18,004 (1999: £24,390) and £26,770 (1999: £35,007) respectively in respect of assets held under hire purchase contracts. The depreciation charge on those assets was £85,505 (1999: £111,821).

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 April 2000

	Group		Company	
	2000	1999	2000	1999
9. FIXED ASSET INVESTMENTS				
At cost				
1 May 1999	-	-	36,752	36,752
Additions	350,000	-	350,000	-
Disposals	(46,560)	-	(46,560)	-
Write down of investment	(133,440)	-	(133,440)	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
30 April 2000	£ 170,000	£ -	£ 206,752	£ 36,752
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

Name	Country of Incorporation	Class of shares	Percentage	Nature of business
Rouse & Co International (UK) Limited	United Kingdom	Ordinary	100	Consultancy services
Rouse & Co International (Overseas) Limited	*	Ordinary	100	Consultancy services
Beijing Jieding Consultancy	*	Ordinary	100	Consultancy services
Linkway Limited	*	Ordinary	100	Consultancy services
	Hong Kong			
P T Rouse & Co International (Indonesia)	#	Ordinary	95	Consultancy services
Rouse & Co International (Thailand) Limited	Thailand	Ordinary	100	Non-Trader
Geodesia Limited	United Kingdom	Ordinary	17	Internet portal developer
Rouse & Co International Services Limited	United Kingdom	Ordinary	100	Non-trader
Rouse & Co International (ME) Limited	United Kingdom	Ordinary	100	Non-Trader

* This company is a subsidiary undertaking of Rouse & Co International (UK) Limited.

5% of this company is owned by Rouse & Co International (UK) Limited so that it is a wholly owned subsidiary undertaking.

	Group		Company	
	2000	1999	2000	1999
10. STOCKS				
Work in progress	£ 543,373	£ 153,720	£ 150,049	£ 110,389
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

This represents unbilled costs in respect of consultancy services.

USE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

the year ended 30 April 2000

	Group		Company	
	2000	1999	2000	1999
DEBTORS				
Due within one year:				
Trade debtors	2,230,552	1,895,366	994,401	1,876,408
Amounts due from subsidiary undertakings	-	-	1,147,621	403,094
Other debtors	125,191	109,556	47,083	27,200
Prepayments and accrued income	262,683	280,308	191,278	203,666
	<u>£ 2,618,426</u>	<u>£ 2,285,230</u>	<u>£ 2,380,383</u>	<u>£ 2,510,368</u>

Included in trade debtors is an amount of £Nil (1999: £181,494) owed by Willoughby & Partners, a firm in which A J T Willoughby is a partner.

CREDITORS

Amounts falling due within one year:

Bank loans and overdraft	959,063	654,336	959,063	654,336
Obligations under finance leases	108,394	160,964	108,394	160,343
Trade creditors	1,164,178	935,964	1,053,482	846,554
Amounts owed to subsidiary undertakings	-	-	247,867	433,107
Corporation tax	67,686	32,450	14,000	-
Other taxation and social security costs	151,300	410,129	138,969	391,166
Other creditors	252,378	8,677	228,680	3,017
Accruals and deferred income	399,281	283,995	280,470	246,978
	<u>£ 3,102,280</u>	<u>£ 2,486,515</u>	<u>£ 3,030,925</u>	<u>£ 2,735,501</u>

The bank loans and overdraft are secured by a fixed charge over the group's assets.

Composite guarantees are in place between all United Kingdom group companies.

Included in trade creditors is an amount of £105,940 (1999: £Nil) owed to Willoughby & Partners, a firm in which A J T Willoughby is a partner.

Included in other creditors is a loan of £162,000 from P E Rouse, a director of the company. The loan is interest free with no set terms of repayment.

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2000

	Group		Company	
	2000	1999	2000	1999
13. CREDITORS				
Amounts falling due after one year:				
Bank loans	225,000	275,000	225,000	275,000
Obligations under finance leases	40,196	148,592	40,196	148,592
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£ 265,196	£ 423,592	£ 265,196	£ 423,592
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The obligations under finance leases include £40,196 (1999: £148,592) in respect of instalments payable between 2 and 5 years.

	2000	1999
14. OBLIGATIONS UNDER HIRE PURCHASE AND FINANCE LEASES		
GROUP		
Disclosed as payable:		
Within one year	117,485	179,500
In more than one year	41,522	163,725
	<u> </u>	<u> </u>
Gross liability	£ 159,007	£ 343,225
	<u> </u>	<u> </u>
Finance charges allocated to future periods	£ 10,417	£ 33,668
	<u> </u>	<u> </u>

15. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation provided in the financial statements and the unprovided potential liability are as follows:-

	Amount provided		Unprovided liability	
	2000	1999	2000	1999
GROUP				
Excess of tax allowances over depreciation	-	-	18,000	12,000
Losses, in excess of	-	-	(18,000)	(10,500)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£ -	£ -	£ -	£ 1,500
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
COMPANY				
Excess of tax allowances over depreciation	-	-	18,000	10,500
Losses, in excess of	-	-	(18,000)	(10,500)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
	£ -	£ -	£ -	£ -
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ROUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2000

	2000	1999
16. SHARE CAPITAL		
Authorised:		
3,000,000 ordinary shares of 10p each	£ 300,000	£ 300,000
	<u> </u>	<u> </u>
Allotted, issued and fully paid:		
541,893 ordinary shares of 10p each (1999: 582,267)	£ 54,189	£ 58,527
	<u> </u>	<u> </u>

On 7 July 1999 the company allotted 58,000 ordinary shares of 10p at a premium of £2.40 per share. On 14 February 2000 the company purchased 101,374 of its own ordinary shares of 10p for cancellation at a premium of £1.70 per share.

17. CAPITAL RESERVES

	Share Premium Account	Capital Reserve
1 May 1999	892,954	87,563
Issue of shares	139,200	-
Purchase of own shares	(172,336)	-
	<u> </u>	<u> </u>
30 April 2000	£ 859,818	£ 87,563
	<u> </u>	<u> </u>

The movements in the share premium account reflect the transactions in the company's shares set out in Note 16.

18. PROFIT AND LOSS ACCOUNT

	Group		Company	
	2000	1999	2000	1999
1 May 1999	(668,699)	(14,192)	(933,544)	-
Profit/(Loss) for the year	605,498	(650,904)	49,661	(933,544)
Exchange difference on consolidation	(7,616)	(3,603)	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
30 April 2000	£ (70,817)	£ (668,699)	£ (883,883)	£ (933,544)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

HOUSE & CO INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 30 April 2000

	2000	1999
9. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS GROUP		
Profit/(Loss) for the financial period	605,498	(650,904)
Issue of share capital	145,000	945,481
Purchase of own shares	(182,474)	-
Exchange difference on consolidation	(7,616)	(3,603)
	<u>560,408</u>	<u>290,974</u>
Opening shareholders' funds	<u>370,345</u>	<u>79,371</u>
Closing shareholders' funds	<u>£ 930,753</u>	<u>£ 370,345</u>
COMPANY		
Profit/(Loss) for the financial period	49,661	(933,544)
Issue of share capital	145,000	945,481
Purchase of own shares	(182,474)	-
	<u>12,187</u>	<u>11,937</u>
Opening shareholders' funds	<u>17,937</u>	<u>6,000</u>
Closing shareholders' funds	<u>£ 30,124</u>	<u>£ 17,937</u>
10. COMMITMENTS UNDER OPERATING LEASES		
At 30 April 2000, the group had annual commitments under non-cancellable operating leases as follows:		
Land and buildings:		
expiring within 1 year	81,170	52,000
expiring between 2 and 5 years	32,266	59,078
expiring in 5 years or more	232,735	232,735
Equipment:		
expiring within 1 year	-	-
expiring between 2 and 5 years	20,870	9,252
	<u>£ 367,041</u>	<u>£ 353,065</u>

11. TRANSACTIONS WITH DIRECTORS

During the year the group invoiced administration charges of £1,439,700 (1999: £611,006) to Willoughby & Partners, a firm in which A J T Willoughby is a partner.