DIRECTOR'S REPORT AND FINANCIAL STATEMENTS **AS AT 31 MARCH 1999**

DIRECTOR:

VAUGHAN HARDING

SECRETARY:

GIULIO BATTAGLIA

REGISTERED OFFICE: 65A HEADSTONE GARDENS

HARROW LONDON HA2 6PJ

BANKERS:

MIDLANDS BANK

123 CHANCERY LANE

LONDON

A57
COMPANIES HOUSE

26/01/00

COMPANIES HOUSE

15/01/00

REPORT OF THE DIRECTOR

The Director submits his first Annual Report of the company for the Year Ended 31 MARCH 1999.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of accounting and financial consulting.

DIRECTORS AND SHAREHOLDINGS

The Director in office and his interest in the issued ordinary share capital was as follows:

Vaughan Harding

2 Ordinary Shares of £1.00 each

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year, giving a true and fair view of the state of affairs of the company and of profit and loss of the company for that period. In preparing these financial statements the director is 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 director is responsible for maintaining 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. He is also responsible for the safeguarding of the company's assets and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Director has taken advantage of special exemptions conferred by Schedule 8 of the Companies Act 1985, applicable to small companies in the preparation of the accounts, and has done so on the grounds that, in his opinion, the company is entitled to those exemptions.

December 16, 1999

Director

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1999

	Notes	1999	1998
TURNOVER	2	<u>o</u>	10,493
Staff Costs		0	1,320
Other Expenses		574	926
PROFIT (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(574)	8,247
Corporation Taxation	4	0	1,732
PROFIT (LOSS) FOR THE YEAR AFTER TAXATION		(574)	6,515
Dividends		0	0
RETAINED PROFIT (LOSS) FOR THE YEAR		(574)	6,515
Retained Profit brought forward		6,515	0
RETAINED PROFIT CARRIED FORWARD TO CAPITAL RESERVE		5,941 =====	6,515

STATEMENT OF THE TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31MARCH 1999

The company has not recognized gains or losses other than the profit and losses for the above financial year.

The notes on pages 4 and 5 form part of these financial statements.

A

BALANCE SHEET AS AT 31 MARCH 1999

	Notes	1999	1998
FIXED ASSETS Tangible assets	5	250	375
CURRENT ASSETS Cash at bank		5,693	7,874
CURRENT LIABILITIES		3,093	7,074
Amount falling due within 1 year	6		1,732
TOTAL ASSETS LESS CURRENT LIABILITIES		5,943	6,517
LONG-TERM LIABILITIES Amount falling due after 1 year		0	0
NET ASSETS LESS LIABILITIES		5,943	6,517 =====
SHARE CAPITAL Authorized and Issued	7	2	2
Capital Reserve	,	5,941	6,515
SHAREHOLDER'S FUNDS		5,943 =====	6,517 ====

For the year ended 31 March 1999 the company was entitled to the exemption under subsection (1) of section 249A of the Companies Act 1985.

No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985.

The Director acknowledges his responsibility for:

- a) Ensuring the company keeps accounting records, which comply with section 221 of the Companies Act.
- b) The preparation of accounts which give a true and fair reflection of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 226 of the Companies Act.
- c) The preparation of the accounts in accordance with the special provisions in Part VII of the Companies Act 1985 relating to small companies.

X

NOTES TO THE ACCOUNTS FOR THE PERIOD ENDED 31 MARCH 1999

1. Accounting Policies

- (a) These accounts have been prepared under the historical cost convention.
- (b) The company is operating as a going concern.
- (c) The company has elected to implement FRS 1 but claims exemption from the preparation of a Cash Flow Statement on the grounds that it qualifies as a small company under section 247 of the Companies Act 1985.
- (d) Computer equipment is depreciated on the straight line basis at a rate of 25 percent.

2. Turnover

Turnover represents the invoiced amount for services rendered, and is attributable to the principal activity of the Company and is derived wholly from within the United Kingdom.

This is stated after charging the following: Director's remuneration 0 1,320)
Director's remuneration 0 1.320)
•	
Auditor's remuneration 0 0	ı
Bank interest 0 0	,
Depreciation 125 125	,
4. Corporation Taxation 1999 1998) }
Advance Corporation Taxation 0 0)
Final Payment 0 1,732	l #
	_
0 1,732	•
===== =================================	:
5. Tangible Assets – Computer Equipment 1999 1998	;
Cost at the beginning of the year 500 500)
Total cost at the end of the year 500 500	
Depreciation charged for the year 125 125	
Accumulated depreciation at the end of the year 250 125	
Net book value at the end of the year 250 375	
Ther book value at the end of the year 250 375	



6.	Current Lia	bilities	1999	1998
	Director's lo	an account	0	0
	Trade Credit	ors	0	0
	Corporation '	Гах	0	1,732
	Dividends		0	0
	Accruals		0	0
				1,732
			====	====
7.	Share Capit	al	1999	1998
	Authorized:	1000 Ordinary Shares of £1.00 each	1,000	1,000
	Issued:	2 Ordinary Shares of £1.00 each	===== 2	==== <u>=</u> 2
			=====	=====



TAXATION COMPUTATION

(574)
125
(699) 125
(574)
(115) ======
500
500
125
375

Note: Additions to computer equipment consists of a Psion Series 5 palm top computer.

M