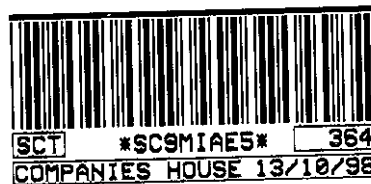


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**ROOT LIMITED**  
*Registered Number SC161514*

**Director's Report and Financial Statements**

**For the year ended 31 December 1997**



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# **ROOT LIMITED**

## **Director's Report and Financial Statements**

**For the year ended 31 December 1997**

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### **Director**

I Gammie

### **Secretary**

J Macleod

### **Accountants**

Scott-Moncrieff Downie Wilson

### **Bankers**

Bank of Scotland  
50 St John Street  
Perth  
PH1 5SL

### **Registered office**

The Gold Suite  
Mellor House  
Charles Street  
Windsor  
Berkshire  
SL4 5DS

# ROOT LIMITED

## Director's Report

For the year ended 31 December 1997

The director submits his report and financial statements for the year ended 31 December 1997.

### Results and dividends

The loss for the year after taxation was £3,897. No dividends are proposed. The loss for the year of £3,897 will be debited to reserves.

### Principal activities and review of the business

The company's principal activity is the provision of computer consultancy services. The director is pleased with the improved trading position and anticipates that the company will trade profitably in the future.

### Director and his interests

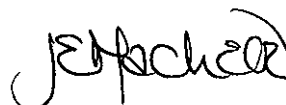
The director who served during the year and his interest, including family interest, in the share capital of the company was as follows:-

	Ordinary shares of £1 each	
	31 December 1997	31 December 1996
I Gammie	100	100



Windsor 29/9/1998

By order of the board



Secretary  
J Macleod

**ROOT LIMITED**

**Accountants' Report to the Director on the Unaudited Financial Statements**

**For the year ended 31 December 1997**

In accordance with your instructions we have prepared, without audit, the financial statements for the year ending 31 December 1997 set out on pages 3 to 6 from your books and records and from information and explanations supplied to us.

*Scott Moncrieff Downie Wilson*

**SCOTT-MONCRIEFF DOWNIE WILSON**

**Chartered Accountants**

**17 Melville Street**

**Edinburgh**

**EH3 7PH**

*R. S. Kemp*  
1998

# ROOT LIMITED

## Profit and Loss Account

For the year ended 31 December 1997

	Notes	1997 £	1996 £
Turnover - continuing operations	2	149,821	115,615
Cost of sales		(126,964)	(104,033)
Gross profit		22,857	11,582
Administration expenses		(25,705)	(29,136)
Operating loss - continuing operations	3	(2,848)	(17,554)
Interest receivable		418	292
Interest payable		-	(17)
Loss on ordinary activities before taxation		(2,430)	(17,279)
Tax on loss on ordinary activities		-	-
Loss on ordinary activities after taxation	8	(2,430)	(17,279)

There are no recognised gains and losses other than those included in the profit and loss account.

There is no difference between the loss on ordinary activities for the year stated above, and its historical cost equivalent.

The notes on pages 5 to 6 form part of these financial statements

# ROOT LIMITED

## Balance Sheet

As at 31 December 1997

		1997		1996	
		£	£	£	£
<b>Fixed assets</b>	5		8,329		-
<b>Current assets</b>					
Debtors	6	11,617		952	
<b>Creditors : Amounts falling due within one year</b>	7	39,555		18,131	
Net current liabilities			(27,938)		(17,179)
Total assets less current liabilities			(19,609)		(17,179)
<b>Capital and reserves</b>	7				
Called up equity share capital			100		100
Profit and loss account			(19,709)		(17,279)
Equity shareholder's funds			(19,609)		(17,179)

### Director's Statement

The director:

The director has taken advantage of the exemption conferred by section 294A(1) not to have these financial statements audited and confirms that no notice has been deposited under section 249B(2) of the Companies Act 1985. The director acknowledges his responsibility for ensuring that:

- The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- The financial statements give a true and fair view of the state of affairs of the company as at 31 December 1997 and of its profit or loss for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements were approved by

the director on ....27/9/..... 1998

.....*I. D. Gammie*..... Director  
I Gammie

The notes on pages 5 to 6 form part of these financial statements

# ROOT LIMITED

## Notes to the Financial Statements

For the year ended 31 December 1997

### 1. Accounting policies

#### Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

#### Cash Flow statement

The company is exempt from preparing a cash flow statement in compliance with the Financial Reporting Standard No1.

### 2. Turnover

Turnover is stated net of VAT and is entirely attributable to the company's principal activity of acting as computer consultants.

Turnover related to continuing operations in different geographical locations as disclosed below:

	1997 £	1996 £
United Kingdom	-	60,779
Rest of Europe	149,821	54,836
	<u>149,821</u>	<u>115,615</u>

### 3. Operating loss

1997	1996
£	£

Operating loss is stated after charging:

Director's remuneration	<u>60,000</u>	<u>80,000</u>
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### 4. Taxation

No corporation tax is payable due to losses incurred.

### 5. Tangible fixed assets

	Computer Equipment £	Motor Vehicles £	Total £
Cost			
Additions	<u>1,956</u>	<u>9,150</u>	<u>11,106</u>
Depreciation			
Charge for year	<u>489</u>	<u>2,288</u>	<u>2,777</u>
Net book value			
At 31 December 1997	<u>1,467</u>	<u>6,862</u>	<u>8,329</u>

# ROOT LIMITED

## Notes to the Financial Statements - continued

For the year ended 31 December 1997

<b>6. Debtors</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Trade debtors	6,825	-
Other debtors	4,792	952
	<u>11,617</u>	<u>952</u>
<b>7. Creditors : Amounts falling due within one year</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
Trade creditors	9,335	-
Accruals	30,220	18,131
	<u>39,555</u>	<u>18,131</u>
<b>8. Capital and reserves</b>	<b>1997</b>	<b>1996</b>
	<b>£</b>	<b>£</b>
<i>Equity share capital</i>		
<b>Authorised</b>		
Ordinary £1 shares	<u>100</u>	<u>100</u>
<b>Issued and fully paid</b>		
Ordinary £1 shares	<u>100</u>	<u>100</u>

### *Reconciliation of movements in shareholder's funds*

	<b>Issued share capital £</b>	<b>Profit &amp; Loss Account £</b>	<b>Total 1997 £</b>	<b>Total 1996 £</b>
Balance as at 31 December 1996	100	(17,279)	(17,179)	100
Loss for the year	-	(2,430)	(2,430)	(17,279)
Balance as at 31 December 1997	<u>100</u>	<u>(19,709)</u>	<u>(19,609)</u>	<u>(17,179)</u>