

289-2803

# **Landmark Information Group Limited**

Report and Accounts

31 March 1997



# Landmark Information Group Limited

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REGISTERED NO. 2892803

## **DIRECTORS**

G H Fairclough CBE - Chairman (Non-Executive) (Resigned 1 July 1997)

C Roper - Managing Director

J W Cadoux-Hudson

R M Doddy

B Doyle (Resigned 20 October 1997)

D Re'em (Resigned 16 October 1997)

M Hayes (Appointed 9 May 1996 and resigned 11 December 1997) (Non Executive)

M Wignall (Appointed 11 October 1996) (Non-Executive)

## **SECRETARY**

E Napier (Resigned 26 November 1996)

G Terry (Appointed 26 November 1996)

## **AUDITORS**

Ernst & Young

Broadwalk House

Southernhay West

Exeter

EX1 1LF

## **BANKERS**

Midland Bank plc

Holborn Circus Branch

31 Holborn

London

EC1N 2HR

## **REGISTERED OFFICE**

7 Abbey Court

Eagle Way

Sowton

Exeter

EX2 7HY

# Landmark Information Group Limited

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## DIRECTORS' REPORT

The directors present their report and accounts for the year ended 31 March 1997.

### RESULTS AND DIVIDENDS

The loss for the year, after taxation amounted to £1,919,102 (1996 - £1,060,540). The directors do not recommend the payment of a dividend.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity is the provision of information services based on its database of property - related and environmental data.

The company has made substantial progress this financial year, both in growing its client base to around 300 clients and its revenue from just £94,190 in 1996 to £753,584 in 1997.

The growth in revenue has come from sustained growth of its Sitecheck product which was launched last year coupled with dramatic demand for its new product EnviroCheck which was launched in September 1996, and a large contract for around 4,000 sites from British Telecommunications plc. The growth in demand for the new EnviroCheck product has been particularly exciting, accounting for approximately 28% of total revenue by the year end.

The company has established many important relationships with data providers, has formed a number of relationships for the development of new products and with well established companies to act as agents and distributors of the company's products.

During the year, the company received substantial further funding from its existing investors and in addition Robert Stephen Holdings Limited has become a shareholder in the company.

### FIXED ASSETS

The company purchased office equipment, computers, motor vehicles and office machines during the year at a cost of £480,170 (1996 - £776,893).

### EVENTS SINCE THE BALANCE SHEET DATE

Since the balance sheet date the company has received further funding, fuller details of which are given in note 18 to the accounts.

# Landmark Information Group Limited

## DIRECTORS' REPORT

### DIRECTORS AND THEIR INTERESTS

The directors at 31 March 1997 and their interests in the share capital of the company were as follows:

	<i>At 31 March 1997</i>	<i>At 31 March 1996</i>
	<i>10p Ordinary Shares</i>	<i>10p Ordinary Shares</i>
G H Fairclough	191,987	97,000
C Roper	194,179	99,000
J W Cadoux-Hudson	105,615	54,000
R M Doddy	121,357	62,000
B Doyle	135,098	69,000
D Re'em	135,097	69,000
M Hayes	-	-
M Wignall	-	-


### DIRECTORS AND OFFICERS' LIABILITY INSURANCE

During the year the company purchased and maintained liability insurance for its directors and officers as permitted by section 310(3) of the Companies Act 1985.

### AUDITORS

A resolution to reappoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board

  
G Terry  
Secretary

23/12/97

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the accounts 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 accounts comply with 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.

**REPORT OF THE AUDITORS****to the members of Landmark Information Group Limited**

We have audited the accounts on pages 7 to 18, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 5 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

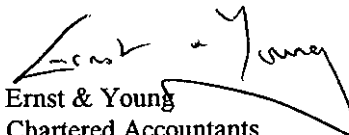
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

*Fundamental uncertainty*

In forming our opinion, we have considered the adequacy of the disclosures made in the accounts concerning the short and long term funding of the company. The accounts have been prepared on a going concern basis, the validity of which depends on future funding being available. The accounts do not include any adjustments which would result from a failure to obtain funding. Our opinion is not qualified in this respect.

**Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 March 1997 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Ernst & Young

Chartered Accountants

Registered Auditor

Exeter

30 December 1997

# Landmark Information Group Limited

## PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1997

		1997	1996 (fifteen months as restated)
	Notes	£	£
<b>TURNOVER</b>	3	753,584	94,190
Cost of sales		(260,861)	(118,136)
<b>GROSS PROFIT/(LOSS)</b>		<u>492,723</u>	<u>(23,946)</u>
Distribution costs		153,791	43,949
Administrative expenses		2,016,759	885,711
		<u>2,170,550</u>	<u>929,660</u>
Operating loss	4	(1,677,827)	(953,606)
Interest receivable		15,117	18,117
Interest payable	7	(256,392)	(125,051)
<b>LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>(1,919,102)</u>	<u>(1,060,540)</u>
Taxation on loss on ordinary activities		-	-
<b>RETAINED LOSS FOR THE FINANCIAL YEAR/PERIOD</b>		<u>(1,919,102)</u>	<u>(1,060,540)</u>

## STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

for the year ended 31 March 1997

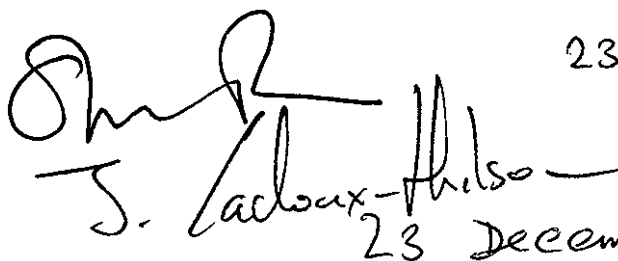
	1997	1996 (fifteen months) as restated
	£	£
Loss for the financial year/period	(1,919,102)	(1,060,540)
Total recognised gains and losses relating to year/period	<u>(1,919,102)</u>	<u>(1,060,540)</u>
Prior year adjustment (note 21)	(52,953)	
Total gains and losses recognised since last annual report	<u>(1,972,055)</u>	

# Landmark Information Group Limited

## BALANCE SHEET at 31 March 1997

	Notes	31.3.97 £	31.3.96 (As restated) £
<b>FIXED ASSETS</b>			
Intangible assets	8	347,372	318,084
Tangible assets	9	913,962	647,427
Investments	10	4	4
		<u>1,261,338</u>	<u>965,515</u>
<b>CURRENT ASSETS</b>			
Debtors	11	378,953	161,722
Cash at bank and in hand		650,278	42,141
		<u>1,029,231</u>	<u>203,863</u>
<b>CREDITORS: amounts falling due within one year</b>	12	829,440	384,761
<b>NET CURRENT ASSETS/(LIABILITIES)</b>		<u>199,791</u>	<u>(180,898)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>1,461,129</u>	<u>784,617</u>
<b>CREDITORS: amounts falling due after more than one year</b>			
Loans	13	2,955,555	1,229,586
Obligations under finance leases and hire purchase contracts	14	338,640	249,940
		<u>3,294,195</u>	<u>1,479,526</u>
		<u>(1,833,066)</u>	<u>(694,909)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital - equity shares	16	242,940	60,000
- non equity shares	16	-	31,837
Share premium account	17	936,600	306,758
Profit and loss account	17	(3,012,606)	(1,093,504)
		<u>(1,833,066)</u>	<u>(694,909)</u>

C Roper )  
J W Cadoux-Hudson ) Directors

  
23.12.97  
23 December 1997



## NOTES TO THE ACCOUNTS

at 31 March 1997

### 1 FUNDAMENTAL ACCOUNTING CONCEPT

The accounts have been prepared on a going concern basis which assumes that the company will continue in operational existence for the foreseeable future. In the short term this is dependent on the continued support of the loan financiers and the directors. In this regard, an Agreement was entered into on 31 July 1997 in which certain of the existing investors have agreed to provide a further £500,000 of funding to be made available and drawn by the company prior to 31 December 1997. At the date of these accounts, the sum of £250,000 had been drawn down and it is anticipated that the remaining £250,000 will be drawn before 31 December 1997.

In the longer term, the ability of the company to continue in operational existence will depend on further investment by the existing shareholders and investors or an as yet unidentified third party or parties providing the necessary funds to the company to enable it to continue to trade.

The accounts do not reflect any adjustments which would have to be made should continuing finance not be available. The directors do not consider it possible to determine the effects with reasonable accuracy, but adjustments would have to be made to asset values in order to reflect them at their realisable amounts and to provide for any further liabilities which might arise and to reclassify all fixed assets and long term liabilities as current assets and liabilities.

### 2 ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention.

#### *Research and development*

Research and development expenditure is written off as incurred except that development expenditure incurred on an individual project is carried forward when its future recoverability can reasonably be regarded as assured. Any expenditure carried forward is amortised in line with the expected future sales from the related projects.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost or valuation, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life as follows:

Fixtures and fittings	- Between 3 to 5 years
Equipment	- Between 3 to 5 years
Motor vehicles	- 4 years

#### *Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse. Advance corporation tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

Deferred tax assets are only recognised if recovery without replacement by equivalent debit balances is reasonably certain.

#### *Leasing and hire purchase commitments*

Assets held under finance leases and hire purchase contracts which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

# Landmark Information Group Limited

## NOTES TO THE ACCOUNTS

at 31 March 1997

### 3 TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties.

All turnover for the current year and prior years, is derived from a single class of business and from a single geographical market being the UK.

### 4 OPERATING LOSS

This is stated after charging:

	1997	1996 (fifteen months)
	£	£
Operating lease payments - land and buildings	42,926	22,400
Auditors' remuneration - audit fees	3,600	3,600
- other services	12,415	26,781
Depreciation of owned fixed assets	92,572	72,818
Depreciation of assets held under finance leases and hire purchase contracts	121,063	58,430

### 5 DIRECTORS' EMOLUMENTS

	1997	1996 (fifteen months)
	£	£
Fees	16,256	15,986
Other emoluments	261,864	306,263
	278,120	322,249

Directors' emoluments fell within the following ranges:

	1997 No.	1996 No.
£15,001 - £20,000	1	1
£50,001 - £55,000	4	4
£55,001 - £60,000	1	-
£60,001 - £65,000	-	1

The emoluments of the chairman were £16,256. The emoluments of the highest paid director were £55,299.

# Landmark Information Group Limited

## NOTES TO THE ACCOUNTS at 31 March 1997

### 6 STAFF COSTS

	1997	1996 (fifteen months)
	£	£
Wages and salaries	717,266	497,039
Social security costs	83,528	49,489
Agency staff	102,916	9,175
	<u>903,710</u>	<u>555,703</u>

The average weekly number of employees during the year including directors was 45 (1996 - 17).

### 7 INTEREST PAYABLE

	1997	1996 (fifteen months)
	£	£
Bank loans and overdrafts	17	321
Other loans repayable within five years	193,850	87,256
Finance charges payable under finance leases and hire purchase contracts	62,525	37,474
	<u>256,392</u>	<u>125,051</u>

### 8 INTANGIBLE FIXED ASSETS

	1997	1996
	£	£
Development Expenditure:		
Cost:		
At 1 April 1996	318,084	-
Increase during the year/period	77,170	318,084
At 31 March 1997	<u>395,254</u>	<u>318,084</u>
Amortisation:		
At 1 April 1996	-	-
Provided during the year/period	47,882	-
At 31 March 1997	<u>47,882</u>	<u>-</u>
Net book value:		
At 31 March 1997	<u>347,372</u>	<u>318,084</u>

NOTES TO THE ACCOUNTS

at 31 March 1997

9 TANGIBLE FIXED ASSETS

	<i>Fixtures and fittings £</i>	<i>Equipment £</i>	<i>Motor vehicles £</i>	<i>Total £</i>
Cost:				
At 1 April 1996	54,071	712,218	12,667	778,956
Additions	68,752	401,418	10,000	480,170
At 31 March 1997	<u>122,823</u>	<u>1,113,636</u>	<u>22,667</u>	<u>1,259,126</u>
Depreciation:				
At 1 April 1996	10,443	117,919	3,167	131,529
Provided during the year	17,312	191,073	5,250	213,635
At 31 March 1997	<u>27,755</u>	<u>308,992</u>	<u>8,417</u>	<u>345,164</u>
Net book value:				
At 31 March 1997	<u>95,068</u>	<u>804,644</u>	<u>14,250</u>	<u>913,962</u>
At 31 March 1996	<u>43,628</u>	<u>594,299</u>	<u>9,500</u>	<u>647,427</u>

The net book value of equipment includes an amount of £529,525 in respect of assets held under finance leases and hire purchase contracts.

10 INVESTMENTS

Details of the investments in which the company holds more than 10% of the nominal value of any class of share capital are as follows:

<i>Subsidiary undertakings</i>	<i>Country of registration (or incorporation and operation)</i>	<i>Holding</i>	<i>Proportion of voting shares held</i>	<i>Nature of business</i>
<i>Name of Company</i>				
Sitecheck Limited	England and Wales	Ordinary shares	100%	Dormant
Envirocheck Limited	England and Wales	Ordinary shares	100%	Dormant

# Landmark Information Group Limited

## NOTES TO THE ACCOUNTS at 31 March 1997

### 11 DEBTORS

	1997 £	1996 £
Trade debtors	244,310	54,459
Other debtors	41,193	27,460
Prepayments and accrued income	93,450	79,803
	<u>378,953</u>	<u>161,722</u>

### 12 CREDITORS: amounts falling due within one year

	1997 £	1996 £
Current instalments due on loans (note 13)	62,000	62,000
Bank overdraft	94,591	13,894
Obligations under finance leases and hire purchase contracts (note 14)	177,069	76,825
Trade creditors	203,035	159,293
Current corporation tax	-	-
Other taxes and social security costs	39,463	18,571
Other creditors	12,030	-
Accruals	241,252	54,178
	<u>829,440</u>	<u>384,761</u>

### 13 LOANS

	1997 £	1996 £
Wholly repayable within five years:		
IBM loan	179,474	244,737
Directors' loans	88,000	88,000
3i loan	1,461,333	800,000
GLE loan	305,833	200,000
Eagle Star loan	500,000	-
Robert Stephen Holdings loan	535,527	-
Issue costs unamortised	(52,612)	(41,151)
	<u>3,017,555</u>	<u>1,291,586</u>

NOTES TO THE ACCOUNTS

at 31 March 1997

13 LOANS - (continued)

Analysis of changes in loan financing during the current and previous periods:

	1997 £	1996 £
At 1 April 1996	1,291,586	13,000
New loans raised	1,802,693	1,385,000
Issue expenses of new loans	(34,188)	(53,618)
Issue expenses amortised	22,727	12,467
Amounts repaid	(65,263)	(65,263)
As at 31 March 1997	3,017,555	1,291,586
	1997 £	1996 £
Amounts repayable by instalments:		
Within one year	65,263	65,263
Between one and two years	65,263	65,263
Between two and five years	2,851,641	1,114,211
After five years	-	-
Amounts repayable after more than five years other than by instalments	88,000	88,000
	3,070,167	1,332,737
Less: Unamortised issue costs	(52,612)	(41,151)
	3,017,555	1,291,586
Included in creditors: amounts falling due within one year	(62,000)	(62,000)
	2,955,555	1,229,586

The directors' loans are interest free and are repayable at the earlier of the admission of the shares to the Official List of the Stock Exchange, the sale of 90% of the equity share capital or 31 December 2004.

The loans from 3i, GLE, Eagle Star and Robert Stephen Holdings bear interest at 3% over base rate and are repayable in six equal half-yearly instalments commencing 30 June 1999.

As security for the loans made by them 3i, GLE, Eagle Star and Robert Stephen Holdings Limited have a first charge over all assets, excluding book debts, limited to £1,500,000. They also have a second charge after Griffin Credit Services Limited over the book debts.

As security for factoring facilities that may be provided Griffin Credit Services Limited hold a first charge over book debts limited to £1,000,000.

NOTES TO THE ACCOUNTS

at 31 March 1997

**14 OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS**

The maturity of these amounts is as follows:

	1997 £	1996 £
Amounts payable:		
Within one year	226,805	114,762
Within two to five years	359,690	281,582
	<u>586,495</u>	<u>396,344</u>
Less: Finance charges allocated to future periods	70,786	69,579
	<u>515,709</u>	<u>326,765</u>

Finance leases and hire purchase contracts are analysed as follows:

Current obligations	177,069	76,825
Non-current obligations	338,640	249,940
	<u>515,709</u>	<u>326,765</u>

**15 PROVISION FOR LIABILITIES AND CHARGES**

No provision for deferred tax has been made in the accounts due to the availability of accumulated tax losses.

**16 SHARE CAPITAL**

<i>Authorised</i>	1997 £	1996 £
Ordinary shares of £1 each	-	-
Ordinary shares of 10p each	88,333	45,000
'A' Ordinary shares of 10p each	155,996	15,000
Convertible redeemable 'A' ordinary shares of 10p each	-	31,837
	<u>244,329</u>	<u>91,837</u>

# Landmark Information Group Limited

## NOTES TO THE ACCOUNTS at 31 March 1997

### 16 SHARE CAPITAL (continued)

*Allotted, called up and  
fully paid*

	1997 No.	1996 No.	1997 £	1996 £
Ordinary shares of £1 each	-	-	-	-
Ordinary shares of 10p each	883,333	450,000	88,333	45,000
'A' Ordinary shares of 10p each	1,546,068	150,000	154,607	15,000
Convertible redeemable 'A' ordinary shares of 10p each	-	318,367	-	31,837
	<u>2,429,401</u>	<u>918,367</u>	<u>242,940</u>	<u>91,837</u>

During the year in order to obtain finance to expand the trade, the following shares were issued:

1,077,701 'A' Ordinary shares of 10p each for a consideration of £661,751.  
433,333 Ordinary shares of 10p each for a consideration of £130,000

#### Rights of Shares

##### Income

For 'A' ordinary shares a cumulative preferential net cash dividend totalling one third of the net profit of the company and its subsidiaries for the relevant financial period.

No dividends shall be declared or paid to the holders of ordinary shares until the loans have been paid in full.

##### Priority on winding up

First in paying to the holders of 'A' ordinary shares the subscription price per share plus any arrears of dividends.

The second in paying the holders of the ordinary shares the subscription price for each 'A' ordinary share.

The balance shall be distributed between 'A' ordinary shares and ordinary shares in proportion to the amount paid up in each class.

##### Voting rights

One vote for every 10 pence in nominal value of the above classes of shares.



NOTES TO THE ACCOUNTS

at 31 March 1997

17 RECONCILIATION OF SHAREHOLDERS' FUNDS AND MOVEMENTS ON RESERVES

	<i>Share capital</i> £	<i>Share premium account</i> £	<i>Profit and loss account</i> £	<i>Total</i> £
At 1 April 1996 as previously stated	91,837	306,758	(1,040,551)	(641,956)
Prior year adjustment (note 21)	-	-	(52,953)	(52,953)
At 1 April 1996 as restated	91,837	306,758	(1,093,504)	(694,909)
Loss for the year	-	-	(1,919,102)	(1,919,102)
Other movements:				
Shares issued	151,103	640,648	-	791,751
Share issue costs	-	(10,806)	-	(10,806)
At 31 March 1997	242,940	936,600	(3,012,606)	(1,833,066)

18 POST BALANCE SHEET EVENTS

Debentures:

On 31 July 1997, the company received the sum of £250,000, being the first instalment of new funding provided by the existing shareholders, in consideration for the issue of a combination of convertible and non convertible debentures. The second instalment may be drawn by the company after 1 September 1997 subject to certain conditions having been met. The sum of £166,680 may be converted into ordinary shares at any time after 1 January 1998 and prior to the repayment on 31 July 1999.

Leases:

The lease on the London premises has been surrendered with effect from 8 August 1997. No outstanding liabilities will accrue to the company in respect of this lease.

19 OTHER FINANCIAL COMMITMENTS

At 31 March 1997 the company had annual commitments under non cancellable operating leases as set out below:

	<i>Land and Buildings</i>	
	<i>1997</i>	<i>1996</i>
	£	£
Operating leases which expire:		
Within one year	16,271	-
Between one and five years	56,510	33,600
After five years	-	-

# Landmark Information Group Limited

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## NOTES TO THE ACCOUNTS

at 31 March 1997

### 20 GROUP ACCOUNTS

These financial statements reflect the position of the company only and do not include the results of its two non trading subsidiaries. The company has elected not to prepare group accounts, and has relied on exemptions given in Sections 247(3) and 248(1) of the Companies Act 1985.

### 21 PRIOR YEAR ADJUSTMENT

The prior year adjustment comprises the following:

	£
Adjustment to lease interest in accordance with Statement of Standard Accounting Practice No. 21 (Accounting for Leases and Hire Purchase Contracts) and Urgent Issues Task Force Notice No. 12	40,486
Amortisation of issue costs in accordance with Financial Reporting Standard No. 4 (Capital Instruments)	12,467
	<u>52,953</u>

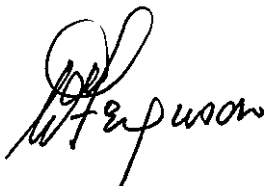
**REPORT OF THE DIRECTORS: (Continued)**

**CLOSE COMPANY STATUS**

In the opinion of the directors, the close company provisions of the Income and Corporation Taxes Act 1988 are applicable to the Company. This report which has been prepared taking advantage of some special exemptions applicable to small companies, was approved by the board on:

29th December 1997

**BY ORDER OF THE BOARD**

A handwritten signature in black ink, appearing to read 'W. J. Ferguson', is written over the printed name 'W. J. Ferguson'.

Director

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 MARCH 1997**

	Note	1997	1996
TURNOVER	2	46697	35896
Less: Administration Costs		<u>-46806</u>	<u>-42769</u>
OPERATING PROFIT		-109	-6873
Bank Interest Received		<u>-</u>	<u>1</u>
		-109	-6872
Taxation - overprovided in previous years		<u>48</u>	<u>69</u>
LOSS ON ORDINARY ACTIVITIES AFTER TAXATION		-61	-6803
Retained Profit brought forward		25	6828
Retained Profit/(Loss) carried forward		<u>-36</u>	<u>25</u>

The company made no recognised gains or losses in 1997 or 1996 other than the profit for the period.


The attached notes form an integral part of these accounts.

**WICKHAM INTERNATIONAL MANAGEMENT SERVICES LIMITED**  
**BALANCE SHEET AS AT 31 MARCH 1997.**

6

	Note	1997	1996
<b>FIXED ASSETS</b>	4	6046	5590
<b>CURRENT ASSETS</b>			
Debtors & Prepayments	5	-	978
Cash at bank and in hand		<u>2374</u>	<u>1369</u>
		<u>2374</u>	<u>2347</u>
<b>CURRENT LIABILITIES</b>			
CREDITORS: Amounts due within one year	6	3089	3264
Directors Loan Accounts		<u>5117</u>	<u>4398</u>
		<u>8206</u>	<u>7662</u>
<b>NET CURRENT LIABILITIES</b>		5832	-5315
<b>NET ASSETS</b>		<u>214</u>	<u>275</u>
<b>CAPITAL AND RESERVES</b>			
Share Capital		250	250
Retained Profits		-36	25
		<u>214</u>	<u>275</u>

- 1) The company is entitled to exemption under section 249A(1).
- 2) No notice has been deposited under section 249B(2).
- 3) The directors acknowledge their responsibilities for:
  - a) ensuring that the company keeps accounting records which comply with section 221, and
  - b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year under section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

  
 Director  
 29.12.97

The attached notes form an integral part of these accounts.

**NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 1997****1. ACCOUNTING POLICIES****Accounting convention**

The accounts are prepared under the historical cost convention.

**Depreciation**

Depreciation is provided on tangible fixed assets at rates estimated to write off the cost of each asset over its expected useful life, as follows:

Office equipment	- 20% reducing balance
Computer equipment	- 20% reducing balance

**Foreign currency translation**

Amounts are translated at the rates prevailing at the date of transaction

**Deffered Taxation**

Provision for deffered taxation is made only where there is a reasonable probability that a liability will arise in the foreseeable future.

**2. TURNOVER**

Turnover represents the net amounts charged to customers in respect of goods supplied and services rendered excluding Value Added Tax.

**3. OPERATING PROFIT**

	1997	1996
This is stated after charging:		
Directors remuneration	9750	8225
Depreciation	<u>1648</u>	<u>1397</u>

**NOTES TO THE ACCOUNTS FOR  
THE YEAR ENDED 31 MARCH 1997 (CONTD)**

**4. FIXED ASSETS**

	Office Equipment	Computer Equipment	TOTAL
<b>COST</b>			
At 1 April 1996	4612	6919	11531
Additions	-	2104	2104
At 31 March 1997	<u>4612</u>	<u>9023</u>	<u>13635</u>
<b>DEPRECIATION</b>			
At 1 April 1996	2414	3527	5941
Charge for the year	549	1099	1648
At 31 March 1997	<u>2963</u>	<u>4626</u>	<u>7589</u>
<b>NET BOOK VALUE</b>			
At 31 March 1997	1649	4397	6046
At 31 March 1996	2198	3392	5590

**5. DEBTORS**

	1997	1996
Trade Debtors	-	-
Other Debtors	-	978
	<u>-</u>	<u>978</u>

**6. CREDITORS**

Amounts falling due within one year:

Taxes & Social Security costs	1939	2164
Other Creditors	-	-
Accruals	1150	1100
	<u>3089</u>	<u>3264</u>

**7. SHARE CAPITAL**

Authorised		
4,000 Ordinary shares of 25p each	1000	1000
Allotted, Issued and fully Paid		
1,000 Ordinary shares of 25p each	250	250