

OMNICOM ENGINEERING LIMITED

FINANCIAL STATEMENTS

31 AUGUST 1999

Registered number : 3153641



ANTRAMS

REPORTING ACCOUNTANTS

BRIGHTON



OMNICOM ENGINEERING LIMITED

FINANCIAL STATEMENTS

for the year ended 31 August 1999

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OMNICOM ENGINEERING LIMITED**COMPANY INFORMATION****31 August 1999**

Incorporated in England on 31 January 1996

Number 3153641

DIRECTORS:

P.I. Harkness
S.A. Kimkeran
M. Nickolay
S. Cocker
M. Mitcheson

SECRETARY:

P.I.Harkness

REGISTERED OFFICE:

The Reading Rooms
109 Micklegate
York
North Yorkshire YO1 1XT

BANKERS:

Barclays Bank Plc
Parliament Street
York YO1 1XD

REPORTING ACCOUNTANTS:

Antrams
Norwood House
9 Dyke Road
BRIGHTON
East Sussex BN1 3FE



OMNICOM ENGINEERING LIMITED

DIRECTORS' REPORT

31 August 1999

The directors present their report and the audited financial statements for the year ended 31 August 1999.

Principal activity

The principal activity of the company is that of the development, installation and maintenance of computer equipment and software.

Business review

The results for the year are shown in the profit and loss account on page 4. The loss for the year is £25,995 (1998: £55,330).

During the year an interim dividend of £18,346 was paid. The directors do not propose payment of a final dividend. The company's product development programme is now largely complete, the directors are confident that sales will increase steadily which will lead to improved and sustained trading levels and that steady growth will result.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31 August 1999 Ordinary Shares	1 September 1998 Ordinary shares
P.I. Harkness	1	1
S.A. Kimkeran	1	1
M. Nickolay	-	-
S. Cocker	-	-
M. Mitcheson (appointed 27 th March 1999)	-	-

Year 2000


The directors recognise the importance of ensuring that the company's systems are able to deal with the change of century. The directors have taken steps to ensure that their systems are appropriately upgraded. They are seeking assurances on compliance with all critical technology suppliers. Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain. However the Board believes that it has achieved an acceptable state of readiness.

Reporting Accountants

The directors consider that for the year ended 31st October 1999 the company was entitled to exemption from a statutory audit under section 249A of the Companies Act 1985. Under the provisions of the Act, the directors have appointed Antrams as Reporting Accountants.

The Reading Rooms
109 Micklegate
York
YO1 1XT

On behalf of the board


P.I. Harkness
Secretary

Date: 31 JAN 2000



OMNICOM ENGINEERING LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 August 1999

		1999 £	1998 £
	Notes		
Turnover		141,681	340,270
Cost of sales		(119,198)	(283,424)
Gross profit		<u>22,483</u>	<u>56,846</u>
Administrative expenses		(47,481)	(154,291)
Operating loss	2	<u>(24,998)</u>	<u>(97,445)</u>
Interest receivable and similar income	3	17,031	15,500
Interest payable and similar charges		(-)	(-)
Loss on ordinary activities before taxation		<u>(7,967)</u>	<u>(81,945)</u>
Taxation	4	318	26,615
Loss on ordinary activities after taxation		<u>(7,649)</u>	<u>(55,330)</u>
Dividends	5	(18,346)	-
Retained loss for the year		<u>(25,995)</u>	<u>(55,330)</u>

None of the company's activities were acquired or discontinued during the above year.

There are no recognised gains and losses in 1999 or 1998 other than the loss for the year.

A statement of reserves and reconciliation of movement in shareholders' funds is given in note 11.



OMNICOM ENGINEERING LIMITED

BALANCE SHEET

as at 31 August 1999

		1999		1998	
		£	£	£	£
	Note				
Fixed assets					
Tangible assets	6	21,235		28,091	
Investments	7	46,938		50,745	
		<u>68,173</u>		<u>78,836</u>	
Current assets					
Work in progress		11,476		-	
Debtors	8	72,258		146,971	
Cash at bank and in hand		58,643		73,792	
		<u>142,377</u>		<u>220,763</u>	
Creditors: amounts falling due within one year	9	(141,542)		(204,596)	
Net current assets			835		16,167
Net assets			<u>69,008</u>		<u>95,003</u>
Capital and reserves					
Called up share capital	10	2		2	
Profit and loss account		69,006		95,001	
	11	<u>69,008</u>		<u>95,003</u>	

continued.....



OMNICOM ENGINEERING LIMITED**BALANCE SHEET**
(continued)**at 31st August 1999**

The directors consider that for the year ended 31st August 1999 the company was entitled to exemption under section 249A(1) of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under section 249B(2) of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 3 to 6 were approved by the board of directors on 31 JAN 2000 and were signed on its behalf by:



S.A. Kimkeran Esq
Director



OMNICOM ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
as at 31 August 1999

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of accounting

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

Depreciation

Depreciation of fixed assets is provided at rates calculated to write off the cost or valuation less any residual value of each asset over its expected useful life, as follows:

Computer equipment	50% per annum on written down value
Office equipment	25% per annum on written down value

Deferred taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that a liability or asset will crystallise in the foreseeable future.

Turnover

Turnover represents amounts receivable for goods and services provided in the UK net of VAT and trade discounts.

2. Operating loss

	1999 £	1998 £
Operating loss is stated after charging:		
Depreciation of tangible fixed assets	20,811	26,965
Profit on disposal of fixed assets	-	(929)
Auditors' remuneration	-	750
Auditors' remuneration for non-audit work	-	750
Amounts written off the value of fixed asset investments	-	80,000
	<u> </u>	<u> </u>



OMNICOM ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
as at 31 August 1999

3. Interest receivable and similar income

	1999 £	1998 £
Bank interest	678	14,089
Dividends receivable	1,512	1,411
Profit on sale of fixed asset investment	14,841	-
	<u>17,031</u>	<u>15,500</u>

4. Taxation

	1999 £	1998 £
UK corporation tax at 20.58% (1998:21 %)	-	(26,649)
Over/underprovision in previous year	(318)	34
	<u>(318)</u>	<u>(26,615)</u>

5. Dividends

	1999 £	1998 £
Interim dividend paid	18,346	-
	<u>18,346</u>	<u>-</u>



OMNICOM ENGINEERING LIMITED
NOTES TO THE FINANCIAL STATEMENTS
as at 31 August 1999

6. Tangible fixed assets

	Office equipment £	Computer equipment £	Total £
Cost			
At 1 September 1998	1,057	69,000	70,057
Additions	254	13,701	13,955
	<hr/>	<hr/>	<hr/>
As at 31 August 1999	1,311	82,701	84,012
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Depreciation			
At 1 September 1998	462	41,504	41,966
Charge for the year	212	20,599	20,811
	<hr/>	<hr/>	<hr/>
As at 31 August 1999	674	62,103	62,777
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Net book value			
As at 31 August 1999	637	20,598	21,235
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
As at 1 September 1998	595	27,496	28,091
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

7. Investments

The company held the following investment:

	1999 £	1998 £
5,967 Ordinary 20p shares in Halifax plc	46,938	50,745
	<hr/> <hr/>	<hr/> <hr/>

8. Debtors

	1999 £	1998 £
Trade debtors	34,518	31,168
Other debtors	4,710	89,154
Corporation tax	31,759	26,649
Prepayments	1,271	-
	<hr/>	<hr/>
	72,258	146,971
	<hr/> <hr/>	<hr/> <hr/>



OMNICOM ENGINEERING LIMITED

NOTES TO THE FINANCIAL STATEMENTS
as at 31 August 19999. Creditors: amounts falling due within
one year

	1999 £	1998 £
Payments in advance	-	12,187
Trade creditors	750	1,521
Other creditors including taxation and social security	-	9,203
Corporation tax	4,586	25,601
Other creditors	998	-
Accruals	3,723	2,192
Amounts owed by group undertakings and undertakings in which the company has a participating interest (see note 12)	131,485	153,892
	<u>141,542</u>	<u>204,596</u>

10. Share capital

	1999 £	1998 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2
	<u> </u>	<u> </u>

11. Reconciliation of movements in shareholders' funds

	1999 £	1998 £
loss/profit for the financial year	(25,995)	(55,330)
Opening shareholders' funds	95,003	150,333
Closing shareholders' funds	<u>69,008</u>	<u>95,003</u>

12. Commitments

Capital Commitments

As at 31 August 1999 the company had no capital commitments.

13. Related party transactions

During the year the company was charged for management charges by Anec Technology Limited on an arms length commercial basis. Anec Technology Limited is wholly owned by the directors of Omnicom Engineering Limited.



OMNICOM ENGINEERING LIMITED

ACCOUNTANTS' REPORT

**Accountants' report to the members
on the unaudited financial statements of
Omnicom Engineering Limited**

In accordance with instructions given to us we have prepared financial statements for the company for the year ended 31st August 1999 according to the accounting provisions of the Companies Act 1985. The directors of the company have confirmed that the company is totally exempt from the audit requirement under the provisions of section 249A(1) of the Companies Act 1985, and as a result we have not carried out an audit. The financial statements on pages 3 to 8 are therefore based on the information shown in the accounting records and on the information supplied and explanations given to us by the directors.

Antrams

ANTRAMS

Norwood House
9 Dyke Road
BRIGHTON
East Sussex BN1 3FE

Date: *31 January 2000*

