

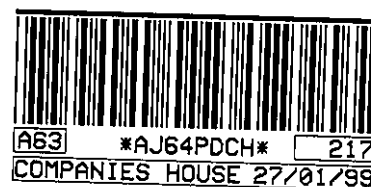
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**THE COMPUTER PARTNERSHIP LIMITED**

**REPORT AND ACCOUNTS  
FOR THE YEAR ENDED  
31 MARCH 1998**

**REGISTRAR'S COPY**

**Company Number: 2172055**



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**Directors**

**Chairman**

M C Clark  
R A Potten  
T N Tribe  
N H Ward

**Company Secretary**

R A Potten

**Business Address and  
Registered Office**

Garrard House  
2-6 Homesdale Road  
Bromley  
Kent BR2 9LZ

**Bankers**

National Westminster Bank plc

**Auditors**

Littlejohn Frazer  
Chartered Accountants  
and Registered Auditors  
1 Park Place  
Canary Wharf  
London E14 4HJ

The Directors have pleasure in presenting their Report together with the Accounts for the year ended 31 March 1998.

### Activities

The Company's principal activity during the year was the provision of computer consultancy.

### Results and Dividends

The profit for the year before taxation amounted to £270,246 (1997 profit - £212,359). The taxation charge was £59,035 (1997 charge - £51,279) leaving a profit after taxation of £211,211 (1997 profit - £161,080).

The Directors do not recommend the payment of a dividend.

### Review of the Business

The Directors are of the opinion that the state of the Company's affairs at 31 March 1998 was satisfactory and has continued to be so since that date.

### Share Capital

On 9 September 1997 the Company issued 382 ordinary shares of £1 each, with an aggregate nominal value of £382, nil paid. On 30 November 1997, a further 98 ordinary shares of £1 each, with an aggregate nominal value of £98 were issued nil paid. Cash calls will be made at a future date.

### Fixed Assets

The changes in fixed assets during the year are summarised in the Notes to the Accounts.

### Directors' Interests in Shares

The Directors during the year and their interests in the share capital of the Company were as follows:

	At 31 March 1998	At 1 April 1997
	Ordinary shares	Ordinary shares
M C Clark and A A Wrout, jointly	-	1,000
M C Clark	500	-
R A Potten	284	-
T N Tribe	98	-
N H Ward	98	-
A A Wrout	-	-

R A Potten was appointed a Director on 1 September 1997, T N Tribe and N H Ward were appointed Directors on 9 January 1998. A A Wrout resigned as a Director on 9 January 1998.

### Purchase of Own Shares

During the year the Company purchased 500 of its own shares for a consideration of £150,000.

**Close Company**

The Company is a close company within the provisions of the Income and Corporation Taxes Act 1988.


**Year 2000 and Euro Compliance**

The Company has programmes in place to ensure that its computer systems achieve Year 2000 compliance by March 1999, and that it is able to handle the Euro on its introduction from January 1999. The Board receives regular progress reports in these matters. The estimated incremental costs for modifying systems to achieve compliance in these areas is not material.

**Auditors**

A resolution proposing the reappointment of Littlejohn Frazer as the Company's auditors will be put to the Annual General Meeting.

By Order of the Board

A handwritten signature in black ink, appearing to read 'R A Potten', followed by a comma.

**R A Potten**

Secretary

15 January 1999

**To the Shareholders of The Computer Partnership Limited**

We have audited the Accounts on pages 6 to 12 which have been prepared under the Accounting Policies set out on page 8.

**Respective Responsibilities of Directors and Auditors**

As described on page 8 the Company's Directors are responsible for the preparation of Accounts. It is our responsibility to form an independent opinion, based on our audit of those Accounts and to report our opinion to you.

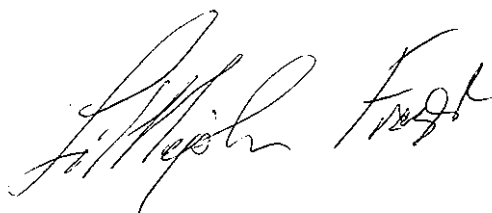
**Basis of Opinion**

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 judgments 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.

**Opinion**

In our opinion the Accounts give a true and fair view of the state of the Company's affairs as at 31 March 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Littlejohn Frazer**

Chartered Accountants  
and Registered Auditors

1 Park Place  
Canary Wharf  
London E14 4HJ

15 January 1999

**THE COMPUTER PARTNERSHIP LIMITED**

**PROFIT AND LOSS ACCOUNT**  
Year ended 31 March 1998

	Note	1998	1997
Turnover	1	1,263,110	887,123
Cost of sales		576,994	439,647
		<hr/>	<hr/>
Gross Profit		686,116	447,476
Administrative expenses		423,142	240,879
		<hr/>	<hr/>
Operating Profit	2	262,974	206,597
Interest receivable	4	7,272	5,762
		<hr/>	<hr/>
Profit on Ordinary Activities before Taxation		270,246	212,359
Tax on profit on ordinary activities	5	59,035	51,279
		<hr/>	<hr/>
Profit on Ordinary Activities after Taxation		211,211	161,080
Dividend	6	-	16,000
		<hr/>	<hr/>
Retained Profit for the year		£211,211	£145,080
		<hr/>	<hr/>

Movements in the Revenue Reserve are shown in Note 13.

All turnover is from continuing operations.

The Company had no recognised gains or losses other than the profit on ordinary activities after taxation stated above.

The Accounting Policies and Notes on pages 8 to 12 form part of these Accounts.

THE COMPUTER PARTNERSHIP LIMITED

BALANCE SHEET  
At 31 March 1998

	Note	1998	1997
<b>Fixed Assets</b>			
Tangible assets	7	84,106	57,544
<b>Current Assets</b>			
Debtors	8	232,654	123,202
Cash at bank and in hand		311,711	245,581
		<hr/> 544,365	<hr/> 368,783
<b>Creditors: due within one year</b>	9	<hr/> 308,792	<hr/> 169,707
<b>Net Current Assets</b>		<hr/> 235,573	<hr/> 199,076
<b>Total Assets less Current Liabilities</b>		<hr/> 319,679	<hr/> 256,620
<b>Provision for Liabilities and Charges</b>			
Deferred Taxation	10	2,409	561
		<hr/> £317,270	<hr/> £256,059
<b>Capital and Reserves</b>			
Called-up share capital	11	500	1,000
Capital Redemption Reserve	12	500	-
Profit and Loss Account	13	316,270	255,059
		<hr/> £317,270	<hr/> £256,059

Approved by the Board on 15 January 1999.

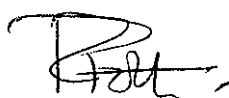
M C Clark



)  
)

) Directors

R A Potten



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)

The Accounting Policies and Notes on pages 8 to 12 form part of these Accounts.



## Statement of Directors' Responsibilities

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 judgments and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the Accounts;
- 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and 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. The Accounting Policies selected are set out below.

## Accounting Policies

### Basis of Accounting

The Accounts are prepared under the historical cost basis of accounting and comply with applicable Accounting Standards.

### Turnover

Turnover represents the invoiced amount of services provided (stated net of Value Added Tax) during the year.

### Depreciation

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost of each asset, less any estimated residual value, evenly over its expected useful life. The expected useful lives of the principal categories are:

Computer equipment	- over 4 years
Fixtures, fittings and other equipment	- over 10 years

### Leasing Commitments

Rentals paid under operating leases are charged to income as incurred.

### Deferred Taxation

Deferred Taxation is provided at anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the accounts. Provision is made to the extent that it is likely that the liability will crystallise in the foreseeable future.

### Pension Contributions

The Company operates a defined contribution pension scheme for certain employees. The funds of the scheme are administered by the trustees and are separate from the Company. Contributions are paid by the Company only and the pension charge represents contributions payable by the Company for the year. The Company's liability is limited to the amounts of the contributions.

THE COMPUTER PARTNERSHIP LIMITED

NOTES TO THE ACCOUNTS

<b>1. Turnover</b>	<b>1998</b>	<b>1997</b>
Turnover by geographical market is:		
United Kingdom	1,206,790	882,638
Europe	56,320	4,485
	<hr/>	<hr/>
	£1,263,110	£887,123
	<hr/>	<hr/>
<b>2. Operating Profit</b>		
This is stated after charging:		
Auditors' remuneration	£ 1,700	£ 1,500
Depreciation	£ 24,096	£ 15,774
Rentals under operating leases	£ 10,000	£ 10,000
	<hr/>	<hr/>
<b>3. Employees</b>		
Staff Costs (including Directors)		
Wages and salaries	591,348	422,478
Social security costs	59,192	42,702
Pension contributions	45,400	13,750
	<hr/>	<hr/>
	£695,940	£478,930
	<hr/>	<hr/>
Average number of employees during the year	No.	No.
Consultancy	12	10
Office and management	6	3
	<hr/>	<hr/>
	18	13
	<hr/>	<hr/>
<b>Directors' Emoluments</b>		
Aggregate emoluments	184,519	101,977
Company pension contributions to money purchase schemes	41,150	6,000
Sums paid to third parties for Directors' services	6,576	-
	<hr/>	<hr/>
	£232,265	£107,977
	<hr/>	<hr/>

Retirement benefits are accruing to four Directors under money purchase pension schemes.

THE COMPUTER PARTNERSHIP LIMITED

NOTES TO THE ACCOUNTS

	1998	1997
<b>3. Employees</b>		
Highest paid Director:		
Aggregate emoluments	87,900	52,339
Company pension contributions to money purchase scheme	18,250	3,000
	<u>£106,150</u>	<u>£55,339</u>
<b>4. Interest Receivable</b>		
Bank deposit interest	<u>£7,272</u>	<u>£5,762</u>
<b>5. Taxation</b>		
Corporation Tax at 21% (1997 - 24%)	56,400	50,720
Deferred Taxation at 21% (1997 - 21%)	1,848	561
Overprovision in prior years	787	(2)
	<u>£59,035</u>	<u>£51,279</u>
<b>6. Dividend</b>		
Interim ordinary dividends paid	<u>£ -</u>	<u>£16,000</u>
<b>7. Tangible Fixed Assets</b>		
<b>Cost</b>		<b>Furniture, fittings and equipment</b>
At 1 April 1997		117,901
Additions		50,658
		<u>168,559</u>
At 31 March 1998		
<b>Depreciation</b>		
At 1 April 1997		60,357
Charge for the year		24,096
		<u>84,453</u>
At 31 March 1998		
<b>Net Book Value</b>		
At 31 March 1998		<u>£84,106</u>
At 31 March 1997		<u>£57,544</u>

THE COMPUTER PARTNERSHIP LIMITED

NOTES TO THE ACCOUNTS

8. Debtors	1998	1997
Trade debtors	226,757	107,546
Other debtors	3,800	2,000
Prepayments	2,097	13,656
	<hr/>	<hr/>
	£232,654	£123,202
	<hr/>	<hr/>

Included in other debtors is an amount of £3,000 (1997 - £Nil) due after more than one year.

9. Creditors: amounts falling due within one year

Trade creditors	69,913	41,696
Corporation tax	57,191	46,720
Other taxes and social security costs	84,613	33,587
Accruals and deferred income	97,075	47,704
	<hr/>	<hr/>
	£308,792	£169,707
	<hr/>	<hr/>

10. Deferred Taxation	1998	1997	1998	1997
			Provision	Full potential liability
Deferred Taxation provided and the potential liability, including the amounts for which provision provision has been made, are as follows:				
Capital allowances in advance of depreciation	£2,409	£561	£2,409	£561
	<hr/>	<hr/>	<hr/>	<hr/>

11. Called-up Share Capital	1998	1997	1998	1997
			Authorised	Allotted, called-up and fully paid
Ordinary shares of £1 each	£1,000	£1,000	£500	£1,000
	<hr/>	<hr/>	<hr/>	<hr/>

During the year the Company purchased 500 of its own shares for a consideration of £150,000 and issued 480 ordinary shares of £1 each, with an aggregate nominal value of £480, nil paid.

12. Capital Redemption Reserve	1998	1997
Arising on company purchase of own shares	£500	£ -
	<hr/>	<hr/>

**13. Profit and Loss Account**

	1998	1997
Retained profit at 1 April 1997	255,059	109,979
Retained profit for the financial year	211,211	145,080
Purchase of own shares	(150,000)	-
	<u>£316,270</u>	<u>£255,059</u>

**14. Reconciliation of Movement in Shareholders' Funds**

Profit for the financial year	211,211	161,080
Dividend	-	(16,000)
	<u>211,211</u>	<u>145,080</u>
Purchase of own shares	(150,000)	-
	<u>61,211</u>	<u>145,080</u>
Net addition to shareholders' funds	61,211	145,080
Opening shareholders' funds	256,059	110,979
	<u>£317,270</u>	<u>£256,059</u>

**15. Obligations under Operating Leases**

The minimum lease payments to which the Company is committed under non-cancellable operating leases for the coming year are as follows:

	Land and Buildings	
On leases expiring:	1998	1997
Between two and five years	£10,000	£10,000
	<u>£10,000</u>	<u>£10,000</u>

**16. Capital Commitments**

There were no capital commitments at 31 March 1998 (1997 - None).

**17. Contingent Liabilities**

There were no contingent liabilities at 31 March 1998 (1997 - None).

**18. Related Parties**

Mr A A Wrout, who served as a Director of the Company until 9 January 1998, is also a Director and shareholder in Ultra Violet Limited and were related parties, as defined by Financial Reporting Standards No.8. The extent of the transactions with them are summarised below:

	Ultra Violet Limited	A A Wrout
Sums paid for the services of a Director	£6,576	£ -
Amount due to related parties	£ -	£ -