

MSE (CONSULTANTS) LIMITED
COMPANY No. 02414457 (ENGLAND AND WALES)

FINANCIAL STATEMENTS
FROM 1 NOVEMBER 1996
TO 31 JANUARY 1998



COMPANIES HOUSE 28/11/98

M S E (CONSULTANTS) LIMITED
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Page 12 does not form part of the statutory accounts.

MSE (CONSULTANTS) LIMITED

COMPANY INFORMATION

DIRECTOR: Dr M S Akhtar

SECRETARY: Mrs J S Akhtar

REGISTERED OFFICE: 11 Regent Place
Rugby
Warwickshire
CV21 2PJ

REGISTERED NUMBER: 02414457 (England and Wales)

BANKERS: Lloyds Bank plc
40 Woodcote Road
Wallington
Surrey
SM6 0NN

MSE (CONSULTANTS) LIMITED

REPORT OF THE DIRECTOR FROM 1 NOVEMBER 1996 to 31 JANUARY 1998

The director has pleasure in presenting his report and financial statements for the period ended 31 January 1998.

PRINCIPAL ACTIVITIES

The company's principal activity continues to be that of engineering and consultancy services.

DIRECTORS AND THEIR INTERESTS

The director who served the company throughout the year together with the interests in the shares of the company at the beginning and end of the year, were as follows:

	Class of Share	-----Number of shares-----	
		31 January 1998	At 1 November 1996
Dr M S Akhtar	Ordinary shares	1,000	1,000
Mrs J S Akhtar	Ordinary shares	1,000	1,000

SMALL COMPANY RULES

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 26 November 1998 and signed on its behalf.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit of the company for that period.

In preparing those financial statements, the directors are required to select suitable accounting policies and then apply them consistently ; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume that the company will continue in business.

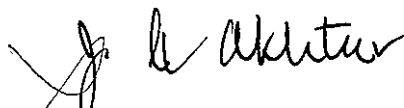
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

SMALL COMPANY RULE

In preparing the above report, the director has taken advantage of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

SIGNED ON BEHALF OF

THE BOARD OF DIRECTORS


Mrs J S Akhtar
Secretary

MSE (CONSULTANTS) LIMITED

Profit and Loss Account
FROM 1 NOVEMBER 1996 to 31 JANUARY 1998

		15 months to 1998 £	1996 £
	Note		
TURNOVER - Continuing operations	1	371,637	325,198
Cost of Sales		-	-
		<hr/>	<hr/>
GROSS PROFIT		371,637	325,198
Administrative expenses		(338,745)	(312,395)
		<hr/>	<hr/>
OPERATING PROFIT - Continuing operations	5	32,892	12,803
Net interest payable	6	(2,226)	(2,159)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		30,666	10,644
Tax on profit on ordinary activities	7	(3,986)	(3,368)
		<hr/>	<hr/>
Profit on ordinary activities after taxation		£26,680	£7,276
Dividends	8	(23,375)	(4,000)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR	17	£3,305	£3,276
		=====	=====

There are no recognised gains and losses other than the profit for the above two financial years.

The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

BALANCE SHEET AT 31 JANUARY 1998

		1998	1996
		£	£
	Note		
FIXED ASSETS:			
Tangible Assets	9	34,090	35,520
Intangible Assets	10	16,667	
		<u>50,757</u>	<u>35,520</u>
CURRENT ASSETS:			
Debtors	11	73,554	31,529
Cash at bank and in hand		31,785	4,826
		<u>105,339</u>	<u>36,355</u>
CREDITORS:AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(131,075)	(47,123)
		<u></u>	<u></u>
NET CURRENT LIABILITIES		(25,736)	(10,768)
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>25,021</u>	<u>24,752</u>
CREDITORS:AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	13	-	(3,036)
		<u>-</u>	<u>(3,036)</u>
NET ASSETS		£25,021	£21,716
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	15	2,000	2,000
Profit and loss account	17	23,021	19,716
		<u></u>	<u></u>
SHAREHOLDERS' FUNDS	16	£25,021	£21,716
		=====	=====

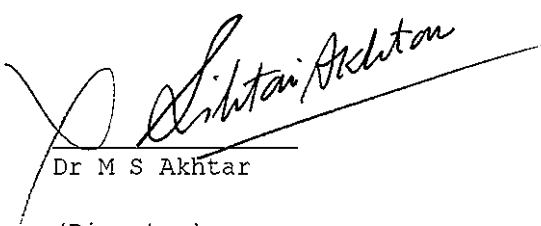
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MSE (CONSULTANTS) LIMITED

BALANCE SHEET AT 31 JANUARY 1998

For the financial period ended 31 January 1998, the company was entitled to exemption from audit under section 249A(1), Companies Act 1985; and no notice has been deposited under section 249B(2). The director acknowledge his responsibility for ensuring that the company keeps accounting records which comply with section 221 and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

The director has taken advantage of special exemptions conferred by Part I of Schedule 8 to 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 qualifies as a small company.



Dr M S Akhtar

(Director)

The financial statements were approved by the Board on 26 November 1998.

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
FROM 1 NOVEMBER 1996 to 31 JANUARY 1998

1 ACCOUNTING POLICIES**a) Accounting basis and standards**

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

The company has taken advantage of the exemption in Financial reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

b) Depreciation

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

Vehicles and equipment	20% reducing balance
Software development costs	33% straight line basis

c) Turnover

Turnover represents the amounts receivable, excluding VAT, by the company for goods and services provided.

d) Deferred taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is probable that a liability or asset will crystallise. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the accounts. Provision is made at the rate which is expected to be applied when the liability is expected to crystallise.

e) Foreign currencies

Transactions denominated in foreign currencies are translated into Sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

2 Accounting dates

Due to commercial reasons the company has extended the accounting reference date to 31 January 1998.

3 Software development costs

The directors have capitalised £25,000 of direct costs as software development costs this year (1996 £NIL)

4 TURNOVER

The company has derived 61% (1995: 18 %) of its turnover from supplying geographical markets outside the UK.

5 OPERATING PROFIT

	1998	1996
	£	£
The operating profit is stated after charging:		
Depreciation: Owned tangible and intangible fixed assets	15,833	8,250

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The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FROM 1 NOVEMBER 1996 to 31 JANUARY 1998

6	NET INTEREST PAYABLE AND RECEIVABLE	1998	1996
		£	£
	Interest payable and similar charges:		
	Bank overdraft and loan interest	1,986	2,202
	Interest paid on taxes	240	-
		<hr/>	<hr/>
		£2,226	£2,202
	Interest receivable and similar income	-	43
		<hr/>	<hr/>
		£2,226	£2,159
		=====	=====
7	TAX ON PROFIT ON ORDINARY ACTIVITIES	1998	1996
		£	£
	Corporation tax based on the profit for the year at the rate of 21% (1996 : 24%)	5,928	1,916
		<hr/>	<hr/>
		£5,928	£1,916
	Corporation tax under/(over) provided -prior years	(£1,942)	£1,452
		<hr/>	<hr/>
		£3,986	£3,368
		=====	=====
The director does not consider that any provision is required for deferred taxation under the accounting policy set out in Note 1.			
	Unprovided deferred tax		
	- accelerated capital allowances	-	-
		=====	=====
8	DIVIDENDS		
	Paid	23,375	4,000
		<hr/>	<hr/>
		£23,375	£4,000
		=====	=====

The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FROM 1 NOVEMBER 1996 to 31 JANUARY 1998

9 TANGIBLE ASSETS

	VEHICLES	FIXTURES & EQUIP.	TOTAL
Cost	£	£	£
At 1 November 1996	20,235	57,525	77,760
Additions	-	9,870	9,870
Disposals	(8,740)	-	(8,740)
	<hr/>	<hr/>	<hr/>
At 31 January 1998	11,495	67,395	78,890
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 November 1996	12,040	30,200	42,240
Charge for the year	2,000	5,500	7,500
Eliminated on disposals	(4,940)	-	(4,940)
	<hr/>	<hr/>	<hr/>
At 31 January 1998	9,100	35,700	44,800
	<hr/>	<hr/>	<hr/>
Net book values			
At 31 January 1998	£2,395	£31,695	£34,090
	=====	=====	=====
At 31 October 1996	£8,195	£27,325	£35,520
	=====	=====	=====

10 INTANGIBLE ASSETS

Software development at cost: capitalised (1996 £NIL)	25,000
Depreciation charge for the year	(8,333)
	<hr/>
At 31 January 1998	16,667
	=====

11 DEBTORS

	1998	1996
	£	£
Trade debtors	70,554	30,164
Prepayments	3,000	1,365
	<hr/>	<hr/>
	£73,554	£31,529
	=====	=====

12 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998	1996
	£	£
Bank loans and overdrafts	-	8,089
Creditors	67,534	23,130
Corporation Tax	-	1,942
Other taxation	9,327	814
Accruals	-	7,456
Dividends	-	4,000
Advance Corporation Tax	-	1,000
Director's loan account	54,214	692
	<hr/>	<hr/>
	£131,075	£47,123
	=====	=====

MSE (CONSULTANTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FROM 1 NOVEMBER 1996 to 31 JANUARY 1998

13 CREDITORS:AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

Amounts repayable by instalments

	Bank loan	
	1998	1996
	£	£
Due 1-2 years	-	3,036
	<hr/>	<hr/>
	-	£3,036
	=====	=====

14 SECURED LIABILITIES

The bank loan and overdraft of the company are secured by the director on his personal security.

15 CALLED UP SHARE CAPITAL

	1998	1996
	£	£
Authorised:		
5,000 ordinary shares of £1 each	£5,000	£5,000
	=====	=====
Called up, allotted and fully paid:		
2,000 ordinary shares of £1 each	£2,000	£2,000
	=====	=====

16 SHAREHOLDERS' FUNDS

(a) Analysis of shareholders' funds

	1998	1996
	£	£
Equity	25,021	21,716
	=====	=====

(b) Reconciliation of movements on shareholders funds

	1998	1996
	£	£
Profit for the financial year	26,680	7,276
Less: Dividends - Equity	23,375	4,000
	<hr/>	<hr/>
	3,305	3,276
Opening shareholders' funds at 1 November 1996	21,716	16,442
New share capital subscribed	-	1,998
	<hr/>	<hr/>
Closing shareholders' funds at 31 October 1996	£25,021	£21,716
	=====	=====

The notes form part of these financial statements

MSE (CONSULTANTS) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FROM 1 NOVEMBER 1996 to 31 JANUARY 1998**

17 PROFIT AND LOSS ACCOUNT

	£
Balance at 1st November 1996	19,716
Retained profit for the financial year	3,305
	<hr/>
Balance at 31st January 1998	£23,021
	<hr/>

18 CAPITAL COMMITMENTS AND CONTINGENCIES

There are no capital commitments and contingencies at the year end (last year £ Nil)

19 TRANSACTION WITH THE DIRECTOR

(a) Director's loan account	1998	1996
	£	£
Balance due to the director at 1st November	692	555
Introduced	68,660	2,135
Withdrawals	(15,138)	(1,998)
	<hr/>	<hr/>
Balance due to the director at 31st October	£54,214	£692
	<hr/>	<hr/>

The number of directors during the current and preceding year was one and the maximum liability during the year was £Nil (1996 £Nil). The above balance due to the director on the loan account is unsecured and interest free and is repayable on demand.

(b) Material interest of the director

During the year the company hired software to the value of £23,723 (1996:£33,221) from MSE (CONSULTANTS), a partnership in which the director Dr M S Akhtar is materially interested. The software and equipment hire was made on a normal trading basis.

The notes form part of these financial statements