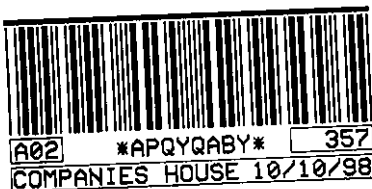


TAKE ACCOUNT
BUSINESS DEVELOPMENT SYSTEMS LIMITED

Company Number 2501159

Report and Financial Statements

31st May 1998



Take Account Business Development Systems Limited

Directors Report

The Directors present their Report and the financial statements for the year ended 31st May 1998.

Statement of 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 or loss 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;
- prepare the financial statements 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 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.

Principal Activity

The company's principal activity continues to be that of marketing a manual accounting system and the supply of ancillary accounting services.

Directors

The Directors in office during the year and their beneficial interests in the company's issued ordinary share capital were:

	Number of Shares	
	<u>1998</u>	<u>1997</u>
A R Hillier	1	1
Mrs J Hillier	1	1

This report, which has been prepared, taking advantage of special exemptions applicable to small companies, was approved by the board on 30th September 1998 and signed on their behalf.

A R Hillier... 

Take Account Business Development Systems Limited
Profit and Loss Account for the year ended 31st May 1998

	Notes	1998	1997
	-----	-----	-----
Turnover	1b	16051	10739
Cost of Sales		(150)	(250)
		-----	-----
Gross Profit		15901	10489
Administration Expenses		(15766)	(6480)
		-----	-----
Profit/(Loss) on ordinary activities before and after taxation		135	4009
Retained (Loss) brought forward		2308	(1701)
		-----	-----
Retained Profit/(Loss) carried forward		2443	2308
		=====	=====

There were no recognised gains or losses for 1998 or 1997 other than those included in the Profit and Loss Account.

Take Account Business Development Systems Limited

Balance Sheet as at 31st May 1998

Fixed Assets	Notes	1998	1997
Tangible Assets	4	£9910	£2330
Current Assets			
Stocks		150	300
Debtors	5	1924	1178
Cash at Bank		228	423
		-----	-----
		2302	1901
Creditors:			
Amounts falling due within one year	6	2706	-
Net current assets		(404)	1901
Total assets less current liabilities		9506	4231
Creditors:			
Amounts falling due after more than one year	7	(7069)	(1921)
		-----	-----
		2437	2310
Capital and Reserves			
Called up share capital	8	2	2
Profit and Loss Account		2435	2310
		-----	-----
		2435	2310
		=====	=====

The directors have:-

- a) taken advantage of the Companies Act 1985 in not having these accounts audited under Section 249A(1) (total exemption).
- b) confirmed that no notice has been deposited under section 249B(2) of the Companies Act 1985.
- c) acknowledged their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985.
- d) acknowledged their responsibilities for preparing accounts which give a true and fair view of the company and of its profit/loss (which ever is applicable) for the year then ended in accordance with the requirements of Section 226 of the Companies Act 1985 and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to this company.

Approved by the Board of Directors on 30th September 1998.

A R H Hillier..........Director

Take Account Business Development Systems Limited

Notes to the Financial Statements for the year ended 31st May 1998

1) Accounting Policies

a) Basis of preparation of financial statements

The financial statements are prepared under the Historical Cost Convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

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

b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

c) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write-off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Motor Vehicles	25% reducing balance basis
Fixtures and Fittings	20% reducing balance basis

d) Stock

Stock is stated at the lower of cost and net realisable value as calculated by the Directors.

2) Operating Profit

The operating profit is stated after charging and (crediting)

	1998	1997
	----	----
Depreciation of tangible fixed assets	3303	745
Auditors' remuneration	nil	nil
Director' remuneration	8700	2500

3) Taxation

There is a liability to UK Corporation Tax on the results for the year.

4) Tangible Fixed Assets

	Motor Vehicles	Fixtures & Fittings	Total
Cost			
At 1st June 1997	10937	1610	12547
Additions	12678	152	152
Disposals	(10937)		(10937)
Cost at 31 May 1998	12678	1762	14330
Depreciation			
At 1st June 1997	8990	1227	10217
Disposals	(8990)		(8990)
Charge for the Year	3169	134	3303
	----	---	----
	3169	1361	4530
	=====	=====	=====
Net Book Values			
At 31st May 1998	9509	401	9910
	=====	=====	=====
At 31st May 1997	1947	383	2330
	=====	=====	=====

5) Debtors	1998	1997
-----	-----	-----
Trade Debtors	1924	1178
Other Debtors	-	-
	-----	-----
All due within one year	1924	1178
	=====	=====

6) Creditors: Amounts falling due within one year	1998	1997
-----	-----	-----
H P Company	2706	-
	-----	-----
	2706	-
=====	=====	

7) Creditors: Amounts falling due after one year	1998	1997
-----	-----	-----
Directors' Current Account	7	1921
H P Company	7062	
	-----	-----
	7069	1921
	=====	=====

8) Called-up Share Capital		
Authorised:		
Ordinary Shares of £1 each	100	100
Issued and Fully Paid:		
Ordinary Shares of £1 each	2	2

Take Account Business Development Systems Limited

Schedule to the Profit and Loss account for the
year ended 31st May 1998

	1998	1997
	----	----
Turnover		
Sales and Work Done	16051	10809
Costs of Sales		
Commencing Stock	300	550
Less Closing Stock	(150)	(300)
	-----	-----
	150	250
	=====	=====
Administration Expenses		

Salaries	8700	2500
Motor Expenses	1911	2716
Printing, Stationery, Office	657	224
Telephone and Postage	637	322
Professional and Legal fees	128	44
Bank Charges	26	-
Finance Charges	191	-
Room as Office	312	-
Sundry Expenses	160	-
Depreciation of:		
Motor Vehicles	3169	649
Fixtures & Fittings	128	96
	-----	-----
	16019	6551
	=====	=====
Operating Loss	118	
Profit on Disposal of Car	253	
Net profit	135	

This Schedule does not form part of the audited accounts of the company.