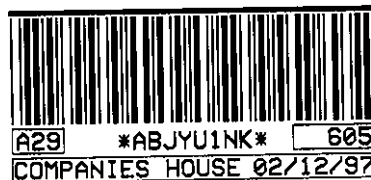


GROSVENOR CONSULTANTS LIMITED

**ANNUAL REPORT AND ACCOUNTS
YEAR TO 31st OCTOBER 1997**



Directors G. Watson
Secretary S.E. Watson
Registered Office 12 King George Square
 Richmond
 Surrey TW10 6LG
Registered Number England 2822713

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1. Report of the Directors

The directors present their annual report with the accounts of the company for the year to 31st October 1997.

1.1 Principal Activity

The principal activity of the company in the period under review is the provision of services in the field of information technology.

1.2 Directors

The directors in office during the period and their beneficial interests in the company's issued ordinary share capital were as follows:

	<u>31st October 1997</u>	<u>31st October 1996</u>
G. Watson	99	99

1.3 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 judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, 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 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.

1.4 Political and Charitable Contributions

During the period the company made no political or charitable contributions.

1.5 Auditors

Under the Companies Act 1985 (Audit Exemption) Regulations 1994, the company has not appointed any auditors..

In preparing the above report, the directors have taken advantage of the special exemptions applicable to small companies.

Signed on behalf of the board of directors



G. Watson
Director

Approved by the board on: 26/4/97

2. Profit & Loss Account for the year to 31st October 1997

	Notes	Year to 31st October 1997 £	Year to 31st October 1996 £
Turnover	4.2	70166	71731
Cost of Sales		(0)	(0)
GROSS PROFIT		70166	71731
Distribution Costs		(0)	(0)
Administration Expenses		(13198)	(11850)
OPERATING PROFIT	4.3	56968	59881
Loss on Disposal of Fixed Assets		(497)	(0)
Interest Receivable		341	564
Interest Payable		(0)	(0)
PROFIT on Ordinary Activities before Taxation		56812	60445
Tax on Profit on Ordinary Activities		(12660)	(14779)
PROFIT for the Financial Year after Taxation		44152	45666
Dividends Paid or Proposed		(46000)	(35200)
RETAINED (LOSS) / PROFIT for the Financial Year		(1848)	10466
RETAINED PROFIT brought forward		11723	1257
RETAINED PROFIT at 31st October 1997		9875	11723

Continuing Operations

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

Total Recognised Gains and Losses

The company has no recognised gains or losses other than the profit for the above financial year.

Note of Historical Cost Profits and Losses

The difference between the results disclosed in the profit and loss account and the result on an unmodified historical cost basis is nil.

3. Balance Sheet as at 31st October 1997

	Notes	31st October 1997 £	31st October 1996 £
FIXED ASSETS			
Tangible Assets	4.4	2282	967
CURRENT ASSETS			
Debtors	4.5	4405	2184
Cash at Bank and in Hand		4884	20840
		9289	23024
CREDITORS: Amounts falling due within one year	4.6	(1596)	(12168)
NET CURRENT ASSETS		7693	10856
TOTAL ASSETS LESS CURRENT LIABILITIES		9975	11823
CREDITORS: Amounts falling due after more than one year		(0)	(0)
		9975	11823
CAPITAL AND RESERVES			
Called Up Share Capital	4.7	100	100
Profit and Loss Account		9875	11723
	4.8	9975	11823

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

The exemption conferred by S249A(1) not to have these accounts audited applies to the company and the directors confirm that no notice has been deposited under S249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for ensuring that:

- 1) The company keeps accounting records which comply with S221 of the Companies Act 1985, and
- 2) The accounts give a true and fair view of the state of affairs of the company as at 31st October 1997 and of its profit or loss for the period then ended in accordance with the requirements of S226, and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts, so far as applicable to the company.

Signed on behalf of the board of directors



G. Watson
Director

Approved by the board on: 26/11/97

4. Notes to the Accounts for the year to 31st October 1997

4.1 Accounting Policies

4.1.1 Basis of Accounting

The accounts have been prepared under the historical cost convention.

4.1.2 Cash Flow

The accounts do not contain a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 - 'Cash Flow Statements'.

4.1.3 Turnover

Turnover represents net invoiced services, excluding VAT.

4.1.4 Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Computer Hardware and Software	33 1/3 % per annum on a reducing balance basis
Office Equipment	33 1/3 % per annum on a reducing balance basis

4.1.5 Deferred Taxation

Provision is made at current rates of taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

4.1.6 Pension Costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions are charged to the profit and loss account for the year in which they are payable to the scheme.

4.2 Turnover

Turnover is wholly attributable to the geographical market within the UK.

4.3 Operating Profit

The operating profit is stated after charging:

	<u>Year to</u> <u>31st October 1997</u> £	<u>Year to</u> <u>31st October 1996</u> £
Depreciation of tangible fixed assets	1122	484
Pension costs	5000	5000
Auditors' remuneration	0	0
	<hr/>	<hr/>
Directors' emoluments:		
For services as directors	5000	5000
Other emoluments	0	0
	<hr/>	<hr/>
	5000	5000

4.4 Tangible Fixed Assets

	<u>Computer Hardware and Software</u>	<u>Office Equipment</u>	<u>Total</u>
	£	£	£
Cost			
At 31st October 1996	3232	132	3364
Additions	2844	90	2934
Disposals	(1677)	(0)	(1677)
At 31st October 1997	<u>4399</u>	<u>222</u>	<u>4621</u>
Depreciation			
At 31st October 1996	(2301)	(96)	(2397)
On disposals	1180	0	1180
Charge for the period	(1080)	(42)	(1122)
At 31st October 1997	<u>(2201)</u>	<u>(138)</u>	<u>(2339)</u>
Net Book Values			
At 31st October 1997	<u>2198</u>	<u>84</u>	<u>2282</u>
At 31st October 1996	<u>931</u>	<u>36</u>	<u>967</u>

4.5 Debtors

	<u>31st October 1997</u>	<u>31st October 1996</u>
	£	£
Trade Debtors	4290	2184
Other Debtors	<u>115</u>	<u>0</u>
	<u>4405</u>	<u>2184</u>

4.6 Creditors: Amounts falling due within one year

	<u>31st October 1997</u>	<u>31st October 1996</u>
	£	£
Trade Creditors	0	0
Other Creditors including taxation and social security	<u>1596</u>	<u>12168</u>
	<u>1596</u>	<u>12168</u>

4.7 Called Up Share Capital

	<u>31st October 1997</u>	<u>31st October 1996</u>
	£	£
Authorised		
1000 ordinary shares of £1 each	<u>1000</u>	<u>1000</u>
Allotted, called up and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

4.8 Reconciliation of Movements on Shareholders' Funds

	<u>Year to</u> <u>31st October 1997</u>	<u>Year to</u> <u>31st October 1996</u>
	£	£
Profit for the Financial Year after Taxation	44152	45666
Dividends	(46000)	(35200)
	<u>(1848)</u>	<u>10466</u>
New Share Capital Subscribed:	0	0
	<u>(1848)</u>	<u>10466</u>
Opening Shareholders' Funds at 31st October 1996	11823	1357
Closing Shareholders' Funds at 31st October 1997	<u>9975</u>	<u>11823</u>