

KINETIC INFORMATION SYSTEM SERVICES LTD
ABBREVIATED ACCOUNTS
FOR THE YEAR ENDED 30 NOVEMBER 1997

OFFICE COPY

Return to HAZLEMS FENTON

When approved and signed

Hazlems Fenton
Chartered Accountants
Palladium House
1-4 Argyll Street
London W1V 2LD



KINETIC INFORMATION SYSTEM SERVICES LTD

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KINETIC INFORMATION SYSTEM SERVICES LTD

AUDITORS' REPORT TO KINETIC INFORMATION SYSTEM SERVICES LTD PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 4, together with the financial statements of the company for the year ended 30 November 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

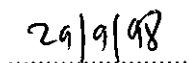
Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 4 are properly prepared in accordance with those provisions.



Hazlems Fenton

Chartered Accountants
Registered Auditor



Chartered Accountants
Palladium House
1-4 Argyll Street
London W1V 2LD

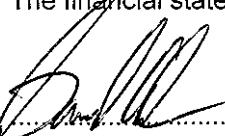
KINETIC INFORMATION SYSTEM SERVICES LTD

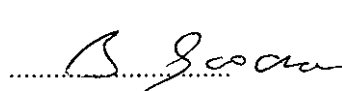
ABBREVIATED BALANCE SHEET AS AT 30 NOVEMBER 1997

	Notes	1997 £	£	1996 £	£
Fixed assets					
Tangible assets	2		122,398		51,100
Current assets					
Debtors		112,140		89,870	
Investments		52		5,988	
Cash at bank and in hand		60,155		17,387	
		<u>172,347</u>		<u>113,245</u>	
Creditors: amounts falling due within one year		<u>(200,880)</u>		<u>(122,863)</u>	
Net current liabilities			<u>(28,533)</u>		<u>(9,618)</u>
Total assets less current liabilities			<u>93,865</u>		<u>41,482</u>
Creditors: amounts falling due after more than one year			<u>(1,016)</u>		<u>-</u>
			<u>92,849</u>		<u>41,482</u>
Capital and reserves					
Called up share capital	3		2		2
Profit and loss account			92,847		41,480
Shareholders' funds			<u>92,849</u>		<u>41,482</u>

These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the board on 29/9/98


David Goodman
Director


Beverley Goodman
Director

KINETIC INFORMATION SYSTEM SERVICES LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1997

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

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.

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

1.4 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 less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improvements	20% Reducing balance
Plant and machinery	25% Reducing balance
Fixtures, fittings & equipment	25% Reducing balance
Motor vehicles	25% Reducing balance

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.6 Investments

Current asset investments are stated at the lower of cost and net realisable value.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

KINETIC INFORMATION SYSTEM SERVICES LTD

NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1997

2 Fixed assets

	Total £
Cost	
At 1 December 1996	63,340
Additions	141,857
Disposals	(46,281)
At 30 November 1997	158,916
Depreciation	
At 1 December 1996	12,240
Charge for the year	24,278
At 30 November 1997	36,518
Net book value	
At 30 November 1997	122,398
At 30 November 1996	51,100

3 Share capital

	1997 £	1996 £
Authorised		
100 Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 Ordinary shares of £1 each	2	2