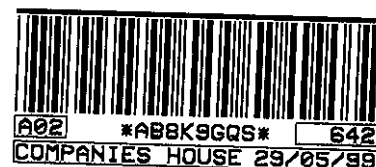


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Company Number:
3006303(ENGLAND & WALES)

AXIS (MILTON) LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

THE SOUTHILL PARTNERSHIP
CHARTERED ACCOUNTANTS
SOUTHILL
CORNBURY PARK
CHARLBURY
OXFORDSHIRE
OX7 3EW



AXIS (MILTON) LIMITED
REPORTS AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 1998

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AXIS (MILTON) LIMITED

COMPANY INFORMATION

Company Number: 3006303(England & Wales)

Director: J M Schneider

Secretary: J Woolfson

Registered Office: Unit 6
Southill
Cornbury Park
Charlbury
Oxfordshire
OX7 3EW

Accountants: The Southill Partnership
Chartered Accountants
Southill
Cornbury Park
Charlbury
Oxfordshire
OX7 3EW

Bankers: Midland Bank Plc
18 Market Place
Chipping Norton
Oxon
OX7 5NE

AXIS (MILTON) LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1998

The director presents his report and the financial statements for the year ended 31st December 1998.

Principal activities

The principal activity of the company continues to be that of computer hardware and software consultancy.

Review of business

The director considers the profit achieved on ordinary activities before taxation to be satisfactory.

Fixed assets

Changes in fixed assets during the year are set out in the notes to the financial statements.

Results and dividends

Interim dividends of £15,000 (£150 per share) were paid during the year.

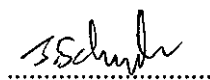
Director's interests

The director of the company during the year and his interests in the share capital of the company as recorded in the register of directors' interests was as follows:

	1998 No.	1997 of shares
J M Schneider	99	99

Date: 26/5/99

On behalf of the board

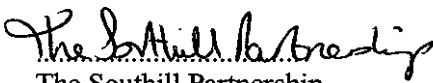

.....
J M Schneider

Unit 6
Southill
Cornbury Park
Charlbury
Oxfordshire
OX7 3EW

ACCOUNTANTS' REPORT

TO THE DIRECTOR OF AXIS (MILTON) LIMITED

In accordance with instructions given to us we have drawn up accounts for the company for the year ending 31st December 1998 according to the accounting provisions of the Companies Act 1985. You have confirmed that the company is totally exempt from the audit requirement, and we have not carried out an audit. The accounts on pages 4 to 10 are therefore based on the information shown in the accounting records and on the information and explanations you have supplied to us.



The Southill Partnership
Chartered Accountants
Southill
Cornbury Park
Charlbury
Oxfordshire
OX7 3EW

Dated 27/6/99

AXIS (MILTON) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1998

	Note	1998 £	1997 £
Turnover	2	45,425	35,017
Administrative expenses		11,673	10,789
Operating profit	3	33,752	24,228
Tax on profit on ordinary activities	6	(7,711)	(5,048)
Profit for the financial year		26,041	19,180
Dividends	7	(15,000)	(21,000)
Retained profit/(loss) for the year		£ 11,041	£ (1,820)

The company has made no acquisitions nor discontinued any operations within the meaning of Financial Reporting Standard 3 during 1998 therefore turnover and operating profit derive entirely from continued operations.

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

AXIS (MILTON) LIMITED

BALANCE SHEET

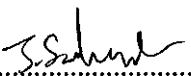
AT 31ST DECEMBER 1998

	Note	1998	1997
		£	£
Fixed assets			
Tangible assets	8	7,263	1,729
Current assets			
Debtors	9	4,030	3,130
Cash at bank and in hand		7,396	7,356
		<u>11,426</u>	<u>10,486</u>
Creditors			
Amounts falling due within one year	10	7,635	12,202
Net current assets/(liabilities)		<u>3,791</u>	<u>(1,716)</u>
Net assets		<u>£ 11,054</u>	<u>£ 13</u>
Capital and reserves			
Called up share capital	11	100	100
Profit and loss account	12	10,954	(87)
Shareholders' funds	13	<u>£ 11,054</u>	<u>£ 13</u>

In the opinion of the director the company is entitled to claim exemptions from audit by virtue of subsection (1) of Section 249A of the Companies Act 1985. No notice has been deposited by shareholders to invalidate this exemption. The director is responsible for seeing that the company maintains accounting records in compliance with Section 221 of that Act and for preparing accounts which give a true and fair view of the affairs of the company as at the end of the financial year and of its profit or loss for the year then ended in accordance with Section 226, and which comply with the other requirements of the Act.

Approved by the board of directors on

(date) and signed on its behalf.


.....
J M Schneider

26/5/99

AXIS (MILTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER 1998

1. Accounting policies

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the director's report and which is continuing.

Turnover

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

Depreciation and diminution in value of assets

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:

Office Equipment	25% reducing balance
Motor Vehicles	25% reducing balance

Deferred taxation

Deferred taxation is provided on the liability method to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent it is considered that a net liability may crystallise.

Cash Flow

The company has taken advantage of the exemption provided by Financial Reporting Standard 1 and has not prepared a cash flow statement for the year.

2. Turnover

Turnover is attributable solely to continuing operations and derives from one activity as described in the director's report.

AXIS (MILTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 1998

3. Operating profit

	1998 £	1997 £
This is stated after charging:		
Depreciation	2,421	576
	<u>2,421</u>	<u>576</u>

4. Director's emoluments

	1998 £	1997 £
Director's emoluments	3,360	3,200
	<u>3,360</u>	<u>3,200</u>

5. Staff costs

The average number of persons employed by the company, including directors, during the year was as follows:

	1998	1997
Office and Management	2	2
	<u>2</u>	<u>2</u>

The aggregate payroll costs of these persons were as follows:

	1998 £	1997 £
Wages and Salaries	3,360	3,598
	<u>£3,360</u>	<u>£3,598</u>

AXIS (MILTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 1998

6. Taxation on profit on ordinary activities

	1998 £	1997 £
Current year:		
United Kingdom Corporation Tax	7,711	5,048
	<u>£7,711</u>	<u>£5,048</u>

Corporation Tax has been charged at 21% (1997 21%).

7. Dividends

	1998 £	1997 £
Interim dividends of £150 per ordinary share	<u>15,000</u>	<u>21,000</u>

8. Tangible fixed assets

	Fixtures and Fittings £	Motor Vehicles £	Total £
Cost:			
At 1st January 1997	3,321	-	3,321
Additions	-	7,955	7,955
	<u>3,321</u>	<u>7,955</u>	<u>11,276</u>
At 31st December 1998			
Depreciation:			
At 1st January 1997	1,592	-	1,592
Charge for the year	432	1,989	2,421
	<u>2,024</u>	<u>1,989</u>	<u>4,013</u>
At 31st December 1998			
Net book value:			
At 31st December 1998	<u>£ 1,297</u>	<u>£ 5,966</u>	<u>£ 7,263</u>
At 31st December 1997	<u>£ 1,729</u>	<u>£ -</u>	<u>£ 1,729</u>

AXIS (MILTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 1998

9. Debtors

	1998	1997
	£	£
Due within one year:		
Trade debtors	4,030	3,130
	<u> </u>	<u> </u>

10. Creditors - amounts falling due within one year

	1998	1997
	£	£
Director's current account	49	9,653
Corporation tax	7,086	2,049
Accruals and deferred income	500	500
	<u> </u>	<u> </u>
	£ 7,635	£ 12,202
	<u> </u>	<u> </u>

11. Share capital

	1998	1997
Authorised		
Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>
	£	£
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100
	<u> </u>	<u> </u>

12. Profit and loss account

	1998
	£
Balance at 1st January 1998	(87)
Profit retained for the year	11,041
	<u> </u>
Balance at 31st December 1998	£ 10,954
	<u> </u>

AXIS (MILTON) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

FOR THE YEAR ENDED 31ST DECEMBER 1998

13. Reconciliation of movements in shareholders' funds

	1998	1997
	£	£
Profit for the financial year	26,041	19,180
Dividends	15,000	21,000
	<hr/>	<hr/>
Retained profit/(loss) for the year	11,041	(1,820)
Shareholders' funds at 1st January 1998	13	1,833
	<hr/>	<hr/>
Shareholders' funds at 31st December 1998	<u>£ 11,054</u>	<u>£ 13</u>