

EXPERT TECHNICAL SYSTEMS LIMITED

Company No: 03013090

FINANCIAL STATEMENTS

- for the year ended -

31ST DECEMBER 1998



HARRIS WALTERS
Chartered Accountants
Anton House
47 Bridge Street, Andover
Hants SP10 1BG

Reference EC/05143/MAH

EXPERT TECHNICAL SYSTEMS LIMITED

DIRECTOR

W R Carr

SECRETARY

Mrs L Carr

BUSINESS ADDRESS

7 Woodville Road
Stonehills
Tewkesbury
Gloucestershire GL20 5FD

REGISTERED OFFICE

7 Woodville Road
Stonehills
Tewkesbury
Gloucestershire GL20 5FD

ACCOUNTANTS

Harris Walters
Chartered Accountants
Anton House
47 Bridge Street
Andover
Hants SP10 1BG

EXPERT TECHNICAL SYSTEMS LIMITED

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

Page

1	Report of the director
2	Accountants' report
3	Profit and loss account
4	Balance sheet
6	Notes to the financial statements

EXPERT TECHNICAL SYSTEMS LIMITED

REPORT OF THE DIRECTOR

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

PRINCIPAL ACTIVITIES

The company's principal activity is contracting and sales in the electronic industry.

DIRECTOR AND HIS INTERESTS

The director at the balance sheet date and his interests in the company at that date and at the beginning of the year (or on appointment if later), were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1998</u>	<u>1997</u>
W R Carr	Ordinary share class 1	1	1

DIRECTOR'S RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

SMALL COMPANY DISCLOSURE

In preparing this report, the director has taken advantage of the special provisions of part VII of the Companies Act 1985 relating to small companies.

By Order of the Board

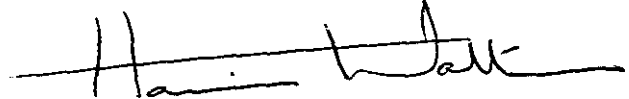
Date: 15th September 1999

L Carr
.....
L Carr
Secretary

EXPERT TECHNICAL SYSTEMS LIMITED

ACCOUNTANTS' REPORT ON THE UNAUDITED ACCOUNTS TO THE
DIRECTOR OF EXPERT TECHNICAL SYSTEMS LIMITED

As described on the balance sheet you are responsible for the preparation of the accounts for the year ended 31 December 1998, set out on pages 3 to 9, and you consider that the company is exempt from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited accounts in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.



HARRIS WALTERS
Chartered Accountants

Anton House
47 Bridge Street
Andover
Hants SP10 1BG

Date: 15th September 1999

EXPERT TECHNICAL SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 1998

	Notes	1998 £	1997 £
TURNOVER		50,810	52,572
Cost of sales		(1,789)	(284)
GROSS PROFIT		49,021	52,288
Administrative expenses		(19,682)	(16,679)
OPERATING PROFIT	2	29,339	35,609
Interest receivable		2,476	1,600
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,815	37,209
Tax on profit on ordinary activities	5	(6,809)	(8,092)
PROFIT FOR THE FINANCIAL YEAR		25,006	29,117
Dividends		(14,320)	(14,640)
RETAINED PROFIT FOR THE YEAR	11	10,686	14,477

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

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 6 to 9 form part of these financial statements.

EXPERT TECHNICAL SYSTEMS LIMITED

BALANCE SHEET AT 31ST DECEMBER 1998

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		735		1,948
CURRENT ASSETS					
Stocks	7	1,029		1,340	
Debtors	8	1,666		12,848	
Cash at bank and in hand		47,801		32,289	
		<u>50,496</u>		<u>46,477</u>	
CREDITORS: Amounts falling due within one year	9	<u>(6,992)</u>		<u>(14,872)</u>	
NET CURRENT ASSETS			<u>43,504</u>		<u>31,605</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>44,239</u>		<u>33,553</u>
CAPITAL AND RESERVES					
Called up share capital	10		1		1
Profit and loss account	11		44,238		33,552
			<u>44,239</u>		<u>33,553</u>

The statements required to be made by the company director and the signature required by the Companies Act 1985 are given on the following page.

The notes on pages 6 to 9 form part of these financial statements.

EXPERT TECHNICAL SYSTEMS LIMITED

BALANCE SHEET AT 31ST DECEMBER 1998 (Continued)

The director has taken advantage of the exemption conferred by section 249A(1) not to have these financial statements audited and confirms that no notice has been deposited under section 249B(2) of the Companies Act 1985.

The director acknowledges his responsibilities for ensuring that:-

- i) The company keeps accounting records which comply with section 221 of the Companies Act 1985;
- ii) The financial statements give a true and fair view of the state of affairs of the company as at 31 December 1998 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as is applicable to the company.

These financial statements are prepared in accordance with the special provisions of part VII of the Companies Act 1985 relating to small companies, and Schedule 8 to that Act, on the grounds that the company is small.

The financial statements were approved
by the board on 15th September 1999. and
signed on its behalf by

W R Carr
.....
W R Carr

Director

The notes on pages 6 to 9 form part of these financial statements.

EXPERT TECHNICAL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

1. ACCOUNTING POLICIES

1.1 BASIS OF ACCOUNTING

The financial statements have been prepared under the historical cost convention.

1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

1.3 DEPRECIATION

Depreciation is provided using the rates to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Computer equipment	25% Straight line
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1.4 STOCKS

Stocks are valued at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

1.6 PENSIONS

Pension contributions are charged to the profit and loss account as incurred. These contributions are invested separately from the company's assets.

2. OPERATING PROFIT

	1998 £	1997 £
The operating profit is stated after charging:		
Depreciation	1,213	1,211

EXPERT TECHNICAL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

3. DIRECTOR'S EMOLUMENTS

	1998 £	1997 £
Director's emoluments	9,778	8,333

4. PENSION COSTS

The company operates a defined contribution pension scheme on behalf of its director. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions paid in the year amounted to £6,000 (1997: £5,000). All contributions were paid in the year.

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
The taxation charge comprises:		
U.K. corporation tax	6,809	8,092
	<u>6,809</u>	<u>8,092</u>

6. TANGIBLE ASSETS

	Plant and machinery etc. £
<u>Cost</u>	
At 1 January 1998 and At 31 December 1998	4,848
<u>Depreciation</u>	
At 1 January 1998	2,900
Charge for year	1,213
At 31 December 1998	4,113
<u>Net book value at 31 December 1998</u>	735
<u>Net book value at 31 December 1997</u>	1,948

EXPERT TECHNICAL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

7. STOCKS

	1998 £	1997 £
Stocks	1,029	1,340
	<u>1,029</u>	<u>1,340</u>

8. DEBTORS

	1998 £	1997 £
Trade debtors	1,666	1,388
Others	-	11,460
	<u>1,666</u>	<u>12,848</u>

9. CREDITORS: AMOUNTS FALLING DUE
WITHIN ONE YEAR

	1998 £	1997 £
Trade creditors	681	645
Other creditors	6,311	14,227
	<u>6,992</u>	<u>14,872</u>

10. SHARE CAPITAL

	1998 £	1997 £
<u>Authorised</u>		
Equity interests:		
100 Ordinary share class 1 of £1 each	<u>100</u>	<u>100</u>
<u>Allotted, called up and fully paid</u>		
Equity interests:		
1 Ordinary share class 1 of £1	<u>1</u>	<u>1</u>

EXPERT TECHNICAL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 1998

11. PROFIT AND LOSS ACCOUNT

	1998 £	1997 £
Retained profits at 1 January 1998	33,552	19,075
Retained profit for the year	10,686	14,477
	<hr/>	<hr/>
Retained profits at 31 December 1998	44,238	33,552
	<hr/>	<hr/>

12. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1998 £	1997 £
Profit for the financial year	25,006	29,117
Dividends	(14,320)	(14,640)
	<hr/>	<hr/>
	10,686	14,477
Shareholders' funds at 1 January 1998	33,553	19,076
	<hr/>	<hr/>
Shareholders' funds at 31 December 1998	44,239	33,553
	<hr/>	<hr/>
Represented by:-		
Equity interests	44,239	33,553
	<hr/>	<hr/>
	44,239	33,553
	<hr/>	<hr/>

EXPERT TECHNICAL SYSTEMS LIMITED

MANAGEMENT INFORMATION

FOR THE YEAR ENDED 31ST DECEMBER 1998

EXPERT TECHNICAL SYSTEMS LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 1998

	1998		1997	
	£	£	£	£
SALES		50,810		52,572
COST OF SALES				
Stocks at 1 January 1998	1,340		1,512	
Purchases	1,478		112	
	<hr/>		<hr/>	
	2,818		1,624	
Stocks at 31 December 1998	(1,029)		(1,340)	
	<hr/>		<hr/>	
		(1,789)		(284)
GROSS PROFIT	96.5%	49,021	99.5%	52,288
ADMINISTRATIVE EXPENSES		(19,682)		(16,679)
OPERATING PROFIT	57.7%	29,339	67.7%	35,609
OTHER INCOME AND EXPENSES				
Interest receivable:				
Bank deposit interest	2,476		1,600	
	<hr/>		<hr/>	
		2,476		1,600
NET PROFIT FOR THE YEAR		<hr/> <hr/>		<hr/> <hr/>
		31,815		37,209

EXPERT TECHNICAL SYSTEMS LIMITED

ADMINISTRATIVE EXPENSES

FOR THE YEAR ENDED 31ST DECEMBER 1998

	1998 £	1997 £
ADMINISTRATIVE EXPENSES		
Employer's national insurance	636	673
Director's remuneration	9,778	8,333
Director's pension	6,000	5,000
Insurance	130	-
Light and heat	126	59
Repairs and maintenance	188	-
Printing, postage and stationery	82	31
Telephone	280	377
Motor expenses	212	102
Travelling expenses	434	-
Accountancy	588	874
General expenses	15	19
Depreciation	1,213	1,211
	<hr/> 19,682 <hr/>	<hr/> 16,679 <hr/>