

**EUROPEAN SYSTEMS & TECHNOLOGY
SERVICES LIMITED**

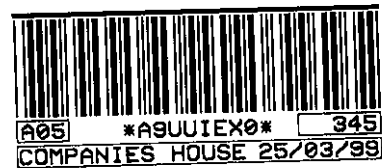
FINANCIAL STATEMENTS

31ST AUGUST 1998

Company Registration Number 3251850

MICHAEL A. LYONS

Chartered Accountant
Herston Cross House,
230 High Street,
Swanage,
Dorset.
BH19 2PQ



EUROPEAN SYSTEMS & TECHNOLOGY SERVICES LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST AUGUST 1998

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31st August 1998.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the supply of information technology consultancy services.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 August 1998	At 1 September 1997
S.J. Kirkpatrick	1	1
Mrs. V. Kirkpatrick	<u>1</u>	<u>1</u>

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:
Herston Cross House
230 High Street
Swanage
Dorset
BH19 2PQ

Signed by order of the directors



Mrs. V. Kirkpatrick
Company Secretary

Approved by the directors on 10th March 1999

EUROPEAN SYSTEMS & TECHNOLOGY SERVICES LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST AUGUST 1998**

		Year to 31 Aug 98 £	<i>Period from 5 Sep 96 to 31 Aug 97 £</i>
TURNOVER		78,172	-
Administrative expenses		40,363	-
OPERATING PROFIT	2	37,809	-
Interest receivable		159	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,968	-
Tax on profit on ordinary activities		7,686	-
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		30,282	-
Dividends	4	24,000	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		6,282	-

The notes on pages 5 to 7 form part of these financial statements.

EUROPEAN SYSTEMS & TECHNOLOGY SERVICES LIMITED**BALANCE SHEET****31ST AUGUST 1998**

		1998		1997	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		3,534		-
CURRENT ASSETS					
Debtors	6	59		2	
Cash at bank and in hand		5,876		-	
		5,935		2	
CREDITORS: Amounts falling due within one year	7	(3,185)		-	
NET CURRENT ASSETS			2,750		2
TOTAL ASSETS LESS CURRENT LIABILITIES			6,284		2

The balance sheet continues on the following page.

The notes on pages 5 to 7 form part of these financial statements.

EUROPEAN SYSTEMS & TECHNOLOGY SERVICES LIMITED**BALANCE SHEET** *(continued)***31ST AUGUST 1998**

		1998	1997
		£	£
CAPITAL AND RESERVES			
Called-up equity share capital	9	2	2
Profit and loss account		6,282	-
SHAREHOLDERS' FUNDS		6,284	2

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

These financial statements were approved by the directors on the 10th March 1999 and are signed on their behalf by:



S.J. KIRKPATRICK



MRS. V. KIRKPATRICK

EUROPEAN SYSTEMS & TECHNOLOGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 1998

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Plant & Machinery	- 10% Reducing Balance Method
Office Equipment	- 10% Reducing Balance Method

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

2. OPERATING PROFIT

Operating profit is stated after charging:

	Year to 31 Aug 98 £	Period from 5 Sep 96 to 31 Aug 97 £
Depreciation	<u>393</u>	<u>-</u>

3. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	Year to 31 Aug 98 £	Period from 5 Sep 96 to 31 Aug 97 £
Aggregate emoluments	24,583	-
Value of company pension contributions to money purchase schemes	10,833	-
	<u>35,416</u>	<u>-</u>

EUROPEAN SYSTEMS & TECHNOLOGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 1998

3. DIRECTORS' EMOLUMENTS *(continued)*

The number of directors who are accruing benefits under company pension schemes were as follows:

	Year to 31 Aug 98 No.	Period from 5 Sep 96 to 31 Aug 97 No.
Money purchase schemes	<u>2</u>	<u>-</u>

4. DIVIDENDS

The following dividends have been proposed in respect of the year:

	Year to 31 Aug 98 £	Period from 5 Sep 96 to 31 Aug 97 £
Proposed dividends on equity shares	<u>24,000</u>	<u>-</u>

5. TANGIBLE FIXED ASSETS

	Plant & Machinery £	Office Equipment £	Total £
COST			
Additions	3,498	429	3,927
At 31st August 1998	<u>3,498</u>	<u>429</u>	<u>3,927</u>
DEPRECIATION			
Charge for the year	350	43	393
At 31st August 1998	<u>350</u>	<u>43</u>	<u>393</u>
NET BOOK VALUE			
At 31st August 1998	<u>3,148</u>	<u>386</u>	<u>3,534</u>

EUROPEAN SYSTEMS & TECHNOLOGY SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST AUGUST 1998

6. DEBTORS

	1998 £	1997 £
Other debtors	<u>59</u>	<u>2</u>

7. CREDITORS: Amounts falling due within one year

	1998 £	£	1997 £	£
Corporation tax	1,687		-	
VAT	808		-	
Other creditors	<u>690</u>		<u>-</u>	
		<u>3,185</u>		<u>-</u>

8. RELATED PARTY TRANSACTIONS

No transactions with related parties were undertaken such as are required to be disclosed under Financial Reporting Standard 8.

9. SHARE CAPITAL

Authorised share capital:

	1998 £	1997 £
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

Allotted, called up and fully paid:

	1998 £	1997 £
Ordinary share capital	<u>2</u>	<u>2</u>