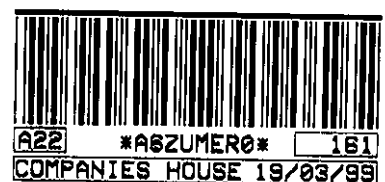


3297334

Report of the Directors and  
Financial Statements For The Period 1 December 1997 to 31 July 1998  
for  
ACCOUNTSENSE LTD.



ACCOUNTSENSE LTD.

Index to the Financial Statements

For The Period 1 December 1997 to 31 July 1998

	Page
Company Information	1
Report of the Directors	2
Profit and Loss Account	3
Balance Sheet	4
Notes to the Financial Statements	5
Trading and Profit and Loss Account	7

ACCOUNTSENSE LTD.

Company Information

For The Period 1 December 1997 to 31 July 1998

**DIRECTORS:**

PA Davis  
A Clewley

**SECRETARY:**

P.A. Davis

**REGISTERED OFFICE:**

Horsehay House  
Horsehay  
Telford  
Shropshire  
TF3 4PY

**REGISTERED NUMBER:**

03297334 (England and Wales)

**ACCOUNTANTS:**

Clewley & Co.  
Park House  
41 Park Street  
Wellington  
Telford  
TF1 3AE

ACCOUNTSENSE LTD.

Report of the Directors

For The Period 1 December 1997 to 31 July 1998

The directors present their report with the financial statements of the company for the period 1 December 1997 to 31 July 1998.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the period under review was that of providing accountancy services.

**DIRECTORS**

The directors during the period under review were:

PA Davis

A Clewley

- appointed 29.7.98

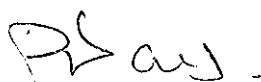
The beneficial interests of the directors holding office on 31 July 1998 in the issued share capital of the company were as follows:

	31.7.98	at date of appointment
<b>Ordinary 1 shares</b>		
PA Davis	100	85
A Clewley	-	-

Both the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

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

**ON BEHALF OF THE BOARD:**



- DIRECTOR

Dated: 17 March 1999

ACCOUNTSENSE LTD.

Profit and Loss Account

For The Period 1 December 1997 to 31 July 1998

	Notes	£
<b>TURNOVER</b>	2	36,903
Cost of sales		<u>23,985</u>
<b>GROSS PROFIT</b>		12,918
Administrative expenses		<u>12,918</u>
<b>OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>	3	-
Tax on profit on ordinary activities	4	<u>-</u>
<b>PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION</b>		<u>-</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		<u>-</u>

The notes form part of these financial statements

ACCOUNTSENSE LTD.

Balance Sheet

31 July 1998

	Notes	£
<b>CURRENT ASSETS:</b>		
Cash in hand		100
		<u>      </u>
<b>NET CURRENT ASSETS:</b>		100
		<u>      </u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		£100
		<u>      </u>
<b>CAPITAL AND RESERVES:</b>		
Called up share capital	6	100
		<u>      </u>
Shareholders' funds		£100
		<u>      </u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the period ending 31 July 1998.

No notice has been deposited under Section 249B(2) of the Companies Act 1985 in relation to its financial statements for the financial year.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year 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 applicable to the company.

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

**ON BEHALF OF THE BOARD:**



- DIRECTOR

Approved by the Board on 17 March 1999

The notes form part of these financial statements

1. **ACCOUNTING POLICIES**

**Accounting convention**

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

**Turnover**

Turnover represents net invoiced sales of goods, excluding value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery etc                      - 25% on cost

**Deferred taxation**

Provision is made at current rates for 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.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. **TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. **OPERATING PROFIT**

The operating profit is stated after charging:

Depreciation - owned assets	£ 743 ==
Directors' emoluments and other benefits etc	- ==

4. **TAXATION**

No liability to UK Corporation tax arose on ordinary activities for the period.

ACCOUNTSENSE LTD.

Notes to the Financial Statements

For The Period 1 December 1997 to 31 July 1998

5. **TANGIBLE FIXED ASSETS**

	Plant and machinery etc
	<hr/>
	£
<b>COST:</b>	
Additions	2,495
Disposals	(2,495)
	<hr/>
At 31 July 1998	-
	<hr/>
<b>DEPRECIATION:</b>	
Charge for period	743
Eliminated on disposals	(743)
	<hr/>
At 31 July 1998	-
	<hr/>
<b>NET BOOK VALUE:</b>	
At 31 July 1998	-
	<hr/>

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Plant and machinery etc
	<hr/>
	£
<b>COST:</b>	
Disposals	(2,495)
	<hr/>
At 31 July 1998	(2,495)
	<hr/>
<b>DEPRECIATION:</b>	
Eliminated on disposals	(743)
	<hr/>
At 31 July 1998	(743)
	<hr/>
<b>NET BOOK VALUE:</b>	
At 31 July 1998	(1,752)
	<hr/>

6. **CALLED UP SHARE CAPITAL**

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
100	Ordinary	1	100
			<hr/>



ACCOUNTSENSE LTD.

Trading and Profit and Loss Account

For The Period 1 December 1997 to 31 July 1998

	£	£
<b>Revenue</b>		36,903
<b>Cost of sales:</b>		
Purchases	4,636	
Wages	19,349	
		<u>23,985</u>
<b>GROSS PROFIT</b>		12,918
<b>Expenditure:</b>		
Regulatory fees & subs.	654	
Telephone	889	
Post & stationery	1,078	
Advertising	1,169	
Motor expenses	1,075	
Training	956	
Repairs & renewals	2,387	
Recruitment	1,045	
Bad debts	165	
Rent and rates	2,745	
		<u>12,163</u>
		755
<b>Finance costs:</b>		
Bank charges		<u>12</u>
		743
<b>Depreciation:</b>		
Plant & machinery		<u>743</u>
<b>NET PROFIT</b>		<u><u>-</u></u>

This page does not form part of the statutory financial statements