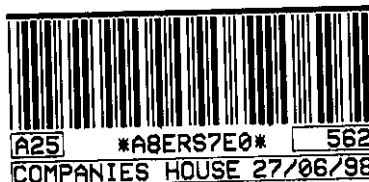


PRACTICAL ASSESSMENT SYSTEMS LIMITED



DIRECTORS

B Shaw (Chairman)
P Shaw

SECRETARY

Company No: 3026124

P Shaw

ACCOUNTANTS

A C Tooke & Co
Certified Accountants
Royal Oak Chambers
42 Baker Street
Gorleston
Great Yarmouth
Norfolk NR31 6QT

REGISTERED OFFICE

15 Roslyn Road
Gorleston
Great Yarmouth
Norfolk
NR31 7AF

REPORT OF THE DIRECTORS

YEAR ENDED 30 APRIL 1998

The directors submit their Annual Report and Accounts for the year ended 30 April 1998.

DIRECTORS RESPONSIBILITIES

Company law requires the directors to prepare accounts that give a true and fair view of the state of affairs of the company and of the profit or loss for its financial period. In doing so the directors are required to:-

- * select suitable accounting policies and apply them consistently;
- * make judgments and estimates that are reasonable and prudent;
- * state whether applicable accounting procedures have been followed subject to any material departures disclosed and explained in the accounts;
- * prepare the accounts on the going concern basis unless it is inappropriate to presume the company will continue in business.

The directors are responsible for maintaining proper accounting records that disclose, with reasonable accuracy, at any time, the financial position of the company, and to enable them to ensure that the accounts comply with the Companies Act 1985. They are 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.

REVIEW OF ACTIVITIES AND POST BALANCE SHEET EVENTS

The company's main activity is that of work skills assessment. Both the level of business and the year end financial position were satisfactory.

DIVIDENDS

A first and final dividend for the year amounting to £6,000 was paid on 30 April 1998.

PRACTICAL ASSESSMENT SYSTEMS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

DIRECTORS

The directors listed above held office throughout the year.

CHANGE IN FIXED ASSETS

The movement in fixed assets during the period is set out in note 2 to the accounts.

DIRECTORS INTERESTS IN THE SHARES OF THE COMPANY

The interests of the directors of the company throughout the year ending 30 April 1998 in the shares of the company, according to the register required to be kept by the Companies Act were as follows:-

	<u>Ordinary Shares</u>
B Shaw	1
P Shaw	1

AUDIT EXEMPTION

The company satisfied the conditions for exemption from an audit of the financial statements for the period specified in section 249A (4) of the Act, and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B (1).

BY ORDER OF THE BOARD

P SHAW
Secretary



REPORT OF THE ACCOUNTANTS
TO THE SHAREHOLDERS OF
PRACTICAL ASSESSMENT SYSTEMS LIMITED

We report on the financial statements for the year ended 30 April 1998 set out on pages 4 to 6.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND REPORTING ACCOUNTANTS

As described on page 1, the company's directors are responsible for the preparation of the financial statements and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

BASIS OF OPINION

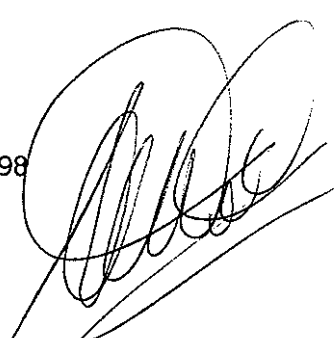
Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the financial statement with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

OPINION

In our opinion:-

- a) the financial statements are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - ii) the company satisfied the conditions for exemption from an audit of the financial statements for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

DATED: 21 MAY 1998



A C Tooke & Co
Certified Accountants
Royal Oak Chambers
42 Baker Street
Gorleston
Great Yarmouth
NR31 6QT

PRACTICAL ASSESSMENT SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30 APRIL 1998

	<u>1998</u>	<u>1997</u>
PROFIT BEFORE TAXATION	8,271	44
After Charging:		
Directors remuneration	16,300	5,690
Accountancy	329	271
Interest	<u>5</u>	<u>5</u>
TAXATION		
Corporation tax	1,883	-
Deferred tax	<u>30</u>	-
	<u>1,913</u>	-
PROFIT AFTER TAXATION	<u>6,358</u>	<u>44</u>
DIVIDEND	<u>6,000</u>	-
PROFIT AFTER DIVIDEND	358	44
INTANGIBLE ASSET WRITTEN OFF	<u>259</u>	-
RETAINED PROFIT FOR THE YEAR	99	44
ACCUMULATED PROFIT BROUGHT FORWARD	<u>48</u>	<u>4</u>
BALANCE CARRIED FORWARD	<u>147</u>	<u>48</u>

PRACTICAL ASSESSMENT SYSTEMS LIMITED

BALANCE SHEET

30 APRIL 1998

	<u>NOTE</u>	<u>1998</u>	<u>1997</u>
FIXED ASSETS	2	515	215
INTANGIBLE ASSETS	3	-	259
		<u>515</u>	<u>474</u>
CURRENT ASSETS			
Bank and cash		5,704	5
		<u>5,704</u>	<u>5</u>
CURRENT LIABILITIES			
Creditors		3,827	279
Taxation	4	1,883	-
Directors loan account	5	330	150
		<u>6,040</u>	<u>429</u>
NET CURRENT LIABILITIES		(336)	(424)
NET ASSETS		179	50
PROVISION FOR DEFERRED TAXATION	6	30	-
		<u>149</u>	<u>50</u>
SHARE CAPITAL AND RESERVES			
SHARE CAPITAL	7	2	2
RESERVES			
Profit and Loss Account		147	48
		<u>149</u>	<u>50</u>

STATEMENT BY THE DIRECTORS

For the year ended 30 April 1998 the company was entitled to the exemption from audit under sub-section (1) of section 249A of the Companies Act 1985.

No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985.

In preparing these accounts we have relied upon the exemptions of individual accounts provided by section 246 (or schedule 8 para 23) and have done so on the grounds that the company is entitled to these exemptions as a small company.

We acknowledge our responsibility for:

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

APPROVED BY THE BOARD ON.....1998

.....) DIRECTORS
 P. N. Shaw)

PRACTICAL ASSESSMENT SYSTEMS LIMITED

NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 1998

1. ACCOUNTING POLICIES

The company's accounting policies are disclosed under the appropriate headings in the following notes.

2. FIXED ASSETS

	<u>1998</u>	<u>1997</u>
COST		
Equipment	641	297
	<u> </u>	<u> </u>
DEPRECIATION		
At 1 May 1997	82	44
Charge for year	44	38
	<u> </u>	<u> </u>
At 30 April 1998	126	82
	<u> </u>	<u> </u>
NET BOOK AMOUNT	515	215
	<u> </u>	<u> </u>

Depreciation is provided at an annual rate of 15% using the reducing balance method.

3. INTANGIBLE ASSETS

Formation expenses	-	259
	<u> </u>	<u> </u>

Formation expenses have been written off this year.

4. TAXATION

Corporation tax is calculated at 23% on the profit as adjusted for taxation purposes.

5. DIRECTORS LOAN ACCOUNT

There is no fixed date for repayment of the director's loan account which is interest free.

6. DEFERRED TAXATION

Deferred taxation is provided using the liability method at an effective rate of 23% in respect of the excess of the net book amount of fixed assets qualifying for taxation capital allowances over their corresponding written down values for taxation purposes.

7. SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
Authorised - 1000 ordinary shares of £1 each	£1,000	£1,000
	<u> </u>	<u> </u>
Issued - 2 ordinary shares of £1 each	£2	£2
	<u> </u>	<u> </u>