

Registered number
03351259

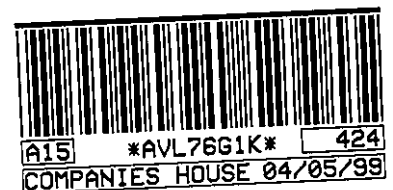
REGISTRAR

101010 LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD 11 APRIL 1997
(DATE OF INCORPORATION)
TO 30 SEPTEMBER 1998

Scrutton Bland
Chartered Accountants
Colchester



101010 LIMITED

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The following page does not form part of the statutory financial statements :

Detailed profit and loss account	12
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101010 LIMITED

DIRECTORS, OFFICERS AND ADVISERS

Directors	L Ljungwaldh L Desmond
Secretary	L Ljungwaldh
Registered Office	18 Sir Isaac's Walk Colchester Essex CO1 1JL
Registered Number	03351259
Auditors	Scrutton Bland 18 Sir Isaac's Walk Colchester CO1 1JL
Bankers	National Westminster Bank plc 25 High Street Colchester Essex CO1 1DG
Solicitors	Thompson Smith & Puxon 4/5 North Hill Colchester Essex CO1 1EB

101010 LIMITED

DIRECTORS' REPORT

The directors present their annual report and the financial statements of the company for the period from 11 April 1997 (date of incorporation) to 30 September 1998.

Principal activity

The principal activity of the company in the year under review was computer software development and consultancy.

Year 2000

The directors have completed an assessment of the risks arising from the year 2000 problem and have carried out a programme of testing the systems operated within the company.

The company undertakes computer software development and the equipment they require is of the highest specification. This equipment is very heavily utilised and consequently has a very short useful life. It is therefore not anticipated that significant additional costs will arise as the company is constantly replacing their computer equipment.

The directors recognise that equipment and systems operated by customers, suppliers and other parties with whom the company has a business relationship, may fail as a result of problems arising from the date change at the millennium.

Directors

The directors, who served the company throughout the period, unless otherwise stated, and their beneficial interests in the company's issued ordinary share capital, were as follows:

			11.4.97
L Ljungwaldh	(appointed 14 April 1997)	41	-
L Desmond	(appointed 14 April 1997)	28	-
D Black	(resigned 14 April 1997)	-	1
D Black	(resigned 14 April 1997)	-	1

101010 LIMITED

DIRECTORS' REPORT

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgments 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 directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements 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.

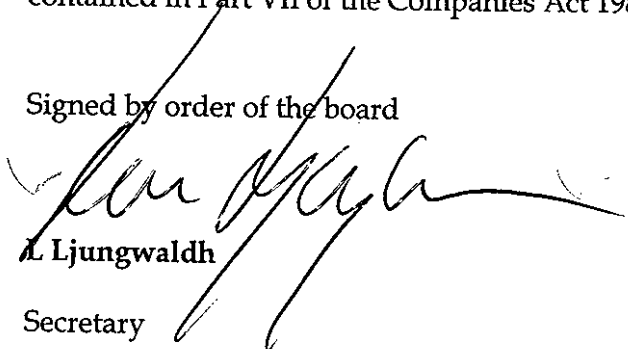
Auditors

A resolution to re-appoint Scrutton Bland as auditors of the company will be put to the members at the Annual General Meeting.

Accounting exemptions

Advantage is taken in the preparation of the directors' report of the special provisions contained in Part VII of the Companies Act 1985 relating to small companies.

Signed by order of the board


L. Ljungwaldh

Secretary

Approved by the board on

26 Apr 1999

**AUDITORS' REPORT TO THE SHAREHOLDERS OF
101010 LIMITED**

We have audited the financial statements on pages 5 to 11, which have been prepared under the historical cost convention, and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1998 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Sawthm Bland

SCRUTTON BLAND
Chartered Accountants
and Registered Auditors

Colchester

29 April 1999

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101010 LIMITED

PROFIT AND LOSS ACCOUNT
PERIOD ENDED 30 SEPTEMBER 1998

	Notes	£
Turnover	2	311,266
Cost of sales		(157,703)
Gross profit		<hr/> 153,563
Administrative expenses		112,717
Profit on ordinary activities before taxation	3	<hr/> 40,846
Tax on profit on ordinary activities	4	9,329
Profit for the financial year		<hr/> <hr/> £ 31,517

Continuing operations

The company commenced trading in October 1997.

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

Total recognised gains and losses

The company has no recognised gains or losses other than the profit or loss for the above financial period.

101010 LIMITED

BALANCE SHEET
AS AT 30 SEPTEMBER 1998

	Notes	£
Fixed assets		
Tangible assets	5	460
Current assets		
Debtors	6	75,303
Cash at bank and in hand		-
		75,303
Creditors: amounts falling due within one year	7	44,146
Net current assets		31,157
Total assets less current liabilities		31,617
Provisions for liabilities and charges		
Deferred taxation	8	-
		£ 31,617
Capital and reserves		
Called up share capital	9	100
Profit and loss account		31,517
Shareholders' funds - equity interests	10	£ 31,617

Advantage is taken in the preparation of the financial statements of the special provisions contained in Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the directors on 26 Apr 1999

L Ljungwaldh

L Desmond

Directors

101010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS PERIOD ENDED 30 SEPTEMBER 1998

1 ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

Turnover

Turnover represents net invoiced sales of goods, excluding VAT.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Fixtures and fittings	-	20% on cost
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Taxation

The charge for taxation is based on the profit for the year. The charge also takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision is made for deferred taxation to the extent that, in the opinion of the directors, there is reasonable probability that the liability will arise in the foreseeable future. The rate of tax used is that which is expected to be applied when the liability is expected to crystallise.

Software development

Software development costs have been written off during the period to match the costs against the income.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences arising in the normal course of trading are dealt with in the profit and loss account for the year.

101010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 1998

2 TURNOVER

Turnover attributable to geographical markets outside the United Kingdom amounted to 84.0%.

3 OPERATING PROFIT

The operating profit is stated after charging/(crediting) :

	£
Depreciation of tangible fixed assets	114
Auditors' remuneration	2,000
Directors' emoluments	69,117
Foreign exchange (gain)	(187)
	<hr/>

4 TAX ON PROFIT ON ORDINARY ACTIVITIES

Based on the profit for the period

Corporation tax at 21%	£ 9,329
	<hr/>

101010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 1998

5 TANGIBLE FIXED ASSETS

	Fixtures and fittings £
Cost	
Additions	574
At 30 September 1998	<u>574</u>
Depreciation	
Charge for the period	114
At 30 September 1998	<u>114</u>
Net book values	
At 30 September 1998	<u><u>£ 460</u></u>

6 DEBTORS

	£
Trade debtors	70,481
Other debtors	4,722
Called up share capital not paid	100
	<u><u>£ 75,303</u></u>

101010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 1998

7 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Bank overdraft	1,619
Trade creditors	12,052
Corporation tax	9,329
Other taxes and social security costs	7,754
Accruals	13,392
	<u>£ 44,146</u>

8 DEFERRED TAXATION

Deferred taxation provided in the financial statements and the potential amounts, including the amounts for which provision has been made, are as follows:

	Provision	Potential
Capital allowances in advance of depreciation	<u>£ -</u>	<u>£ 6</u>

9 CALLED UP SHARE CAPITAL

Authorised :	
100 ordinary shares of £1 each	<u>£ 100</u>
Allotted and called up :	
100 ordinary shares of £1 each	<u>£ 100</u>

101010 LIMITED

NOTES TO THE FINANCIAL STATEMENTS
PERIOD ENDED 30 SEPTEMBER 1998

10 RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	£
Profit for the financial period after taxation	31,517
Dividends	-
	<hr/>
New share capital subscribed	31,517
	100
	<hr/>
Closing shareholders' funds at 30 September 1998	<u>£ 31,617</u>

11 RELATED PARTIES

The company is controlled by Mr L Ljungwaldh and Mr L Desmond.