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COGS MANAGEMENT SERVICES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1997

Registered No: 2672706



COGS MANAGEMENT SERVICES LIMITED

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COGS MANAGEMENT SERVICES LIMITED

COMPANY INFORMATION

Director	C O Page
Secretary	C A Page
Registered office	8 Copse Edge Avenue Epsom Surrey KT17 4HS
Bankers	Barclays Bank Plc 82 High Street Epsom Surrey KT19 8BA
Auditors	Badger Hakim Tunsgate Square 98/110 High Street Guildford Surrey GU1 3HE

COGS MANAGEMENT SERVICES LIMITED

REPORT OF THE DIRECTOR

The director presents her annual report and the audited financial statements of the company for the year ended 31 March 1997.

Principal Activity

The principal activity of the company is that of computer consultants.

Results and dividends

The profit for the year after tax amounted to £8,909 (1996: profit £8,655). The total of distributions in dividends for the year to 31 March 1997 is £8,000, and the retained profit transferred to reserves is £909.

Director

The present director of the company is set out on page 1. The director served throughout the year.

The interest of the director at the end of the year in the share capital of the company at 31 March 1997 is set out below:

	Ordinary shares of £1 each	
	1997	1996
C O Page	1	1

Auditors

The auditors, Badger Hakim are willing to continue in office, and a resolution to reappoint them will be proposed at the annual general meeting.

COGS MANAGEMENT SERVICES LIMITED

REPORT OF THE DIRECTOR (continued)

Director's responsibility

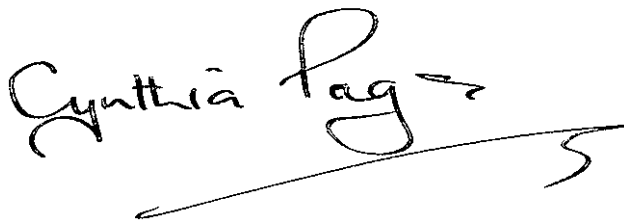
Company Law requires the director to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 them to ensure that the financial statements comply with the Companies Act 1985. She 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.

Advantage is taken in the preparation of the director's report of the special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985. In the director's opinion, the company is entitled to those exemptions as a small company.

The Report of the Director was approved by the Board on 26th April 1997 and signed on its behalf by:



C A Page
Secretary

COGS MANAGEMENT SERVICES LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF COGS MANAGEMENT SERVICES LIMITED

We have audited the financial statements on pages 5 to 10 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 director is 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 judgements 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.

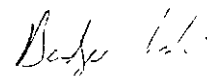
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity 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 at 31 March 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Guildford

26.4. 1997



Badger Hakim
Chartered Accountants
Registered Auditors

COGS MANAGEMENT SERVICES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1997

	Notes	1997 £	1996 £
Turnover	1	63,700	52,509
Administrative expenses		(51,769)	(43,661)
Operating profit/(loss)	2	<u>11,931</u>	<u>8,848</u>
Profit/(loss) on ordinary activities before taxation		11,931	8,848
Tax on result on ordinary activities	3	<u>(3,022)</u>	<u>(193)</u>
Profit/(loss) on ordinary activities after taxation		8,909	8,655
Dividends paid		<u>(8,000)</u>	<u>-</u>
Retained profit/(loss) for the year		909	8,655
Accumulated balance brought forward		<u>76</u>	<u>(8,579)</u>
Accumulated balance carried forward		<u><u>985</u></u>	<u><u>76</u></u>

None of the company's activities were acquired or discontinued during the year.

The company has no recognised gains and losses other than those included in the profits above, and therefore no separate statement of total recognised gains and losses has been presented.

There is no difference between the profit on ordinary activities before taxation and the retained profit for the year stated above, and their historical cost equivalents.

COGS MANAGEMENT SERVICES LIMITED

BALANCE SHEET AT 31 MARCH 1997

	Notes	1997 £	1996 £
Fixed assets			
Tangible assets	4	<u>2,614</u>	<u>2,990</u>
Current assets			
Debtors	5	600	600
Cash at bank and in hand		<u>1,773</u>	<u>172</u>
		2,373	772
Creditors: amounts falling due within one year	6	<u>(4,000)</u>	<u>3,684</u>
Net current (liabilities)		<u>(1,627)</u>	<u>(2,912)</u>
Total assets less current liabilities		<u><u>987</u></u>	<u><u>78</u></u>
Financed by:			
Capital and reserves			
Called up share capital	7	2	2
Profit and loss account	8	<u>985</u>	<u>76</u>
		<u><u>987</u></u>	<u><u>78</u></u>

Advantage is taken in the preparation of the financial statements of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985. In the director's opinion, the company is entitled to those exemptions as a small company.

The financial statements were approved by the Board on *26th April* 1997 and signed on its behalf by:

Carolyn Page

C O Page
Director

COGS MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS 31 MARCH 1997

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

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

Tangible fixed assets

The cost of tangible fixed assets is their purchase cost, together with any incidental cost of acquisition.

Depreciation is calculated so as to write off the cost of tangible fixed assets, less their residual value over the expected useful economic lives of the assets concerned. The principal annual rates used are:

Fixtures and fittings	20% - reducing balance basis
Computer equipment	33% - straight line basis

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred or accelerated because of timing differences between the treatment of certain items for accounting and taxation purposes. Provision for deferred taxation is made under the liability method only to the extent that it is probable that the liability will become payable in the foreseeable future.

Cashflow

A cash-flow statement has not been published as the company is exempt from the requirement to do so under the provisions of Financial Reporting Standard 1.

2. OPERATING PROFIT

Operating profit for the year is arrived at after charging:

	1997 £	1996 £
Auditors' remuneration	100	50
Depreciation of tangible fixed assets	1,838	1,462
Director's remuneration	27,000	27,000
	<u>28,938</u>	<u>28,512</u>

COGS MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 1997

(continued)

3. TAXATION

	1997 £	1996 £
Taxation charge for the year		
Corporation Tax at 24% (1996: 25%)	3,022	193
	<u> </u>	<u> </u>

4. TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures & fittings £	Total £
Cost			
At 1 April 1996	4,646	315	4,961
Additions	1,392	70	1,462
Disposals	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1997	6,038	385	6,423
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
At 1 April 1996	1,785	186	1,971
Charged in year	1,798	40	1,838
Released on disposal	-	-	-
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1997	3,583	226	3,809
	<u> </u>	<u> </u>	<u> </u>
Net book value			
At 31 March 1997	2,455	159	2,614
	<u> </u>	<u> </u>	<u> </u>
At 31 March 1996	2,861	129	2,990
	<u> </u>	<u> </u>	<u> </u>

COGS MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 1997

(continued)

5. DEBTORS

	1997 £	1996 £
Amounts falling due within one year		
Prepayments and accrued income	600	600
	<u>600</u>	<u>600</u>

6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997 £	1996 £
Bank overdraft	-	357
Corporation tax	1,022	193
Other taxation and social security costs	2,528	2,784
Accruals and deferred income	450	350
	<u>4,000</u>	<u>3,684</u>

7. SHARE CAPITAL

	1997 £	1996 £
Authorised 1,000 Shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted and fully paid 2 Shares of £1 each	<u>2</u>	<u>2</u>

COGS MANAGEMENT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 MARCH 1997

(continued)

8. PROFIT AND LOSS ACCOUNT

	£
At 1 April 1996	76
Retained profit for the year	909
	<hr/>
At 31 March 1997	985
	<hr/> <hr/>

**9. RECONCILIATION OF MOVEMENT
IN SHAREHOLDERS FUNDS**

	1997 £	1996 £
Profit/(loss) for the financial year	909	8,655
Opening shareholders fund	78	(8,577)
	<hr/>	<hr/>
Closing shareholders fund	987	78
	<hr/> <hr/>	<hr/> <hr/>