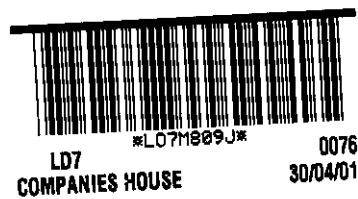


KELLCHEST HARVARD LIMITED

- Company Number : 1196753 -

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2000



ATKINSON HUNTER & CO
CHARTERED ACCOUNTANTS

- Maidenhead -

KELLCHEST HARVARD LIMITED

30 JUNE 2000

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KELLCHEST HARVARD LIMITED

REPORT OF THE DIRECTORS

The directors submit their report and financial statements for the year ended 30 June 2000.

REVIEW OF THE BUSINESS

The company's principal activity during the year was the supply of computer software and computer consultancy services.

DIRECTORS AND THEIR INTERESTS

The directors who have served throughout the year and their interest in the share capital of the company was as follows:

	<u>AT 30 JUNE 2000</u>	<u>AT 30 JUNE 1999</u>
	<u>ORDINARY SHARES</u>	<u>ORDINARY SHARES</u>
E.S. Langton	2	2
M.R. Williams	2	2

CLOSE COMPANY

The company is a close company within the provisions of the Income and Corporation Taxes Act 1988.

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

BY ORDER OF THE BOARD



S. LANGTON
SECRETARY

12 April 2001

KELLICHEST HARVARD LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 30 JUNE 2000

	2000 £	1999 £
<u>TURNOVER</u> (Note 3)	39,848	6,693
Cost of sales	<u>12,961</u>	<u>1,695</u>
<u>GROSS PROFIT</u>	26,887	4,998
Administrative expenses	<u>24,503</u>	<u>10,834</u>
<u>OPERATING PROFIT/(LOSS)</u> (Note 4)	2,384	(5,836)
Interest receivable	14	-
Interest payable	<u>744</u>	<u>190</u>
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>	<u>730</u>	(190)
Taxation on profit on ordinary activities (Note 5)	<u>1,654</u>	<u>6,026</u>
	<u>131</u>	<u>-</u>
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</u>	<u>1,785</u>	(6,026)
<u>PROFIT/(LOSS) FOR THE FINANCIAL YEAR</u>	1,785	(6,026)
(Loss) brought forward	(8,542)	(2,516)
<u>(LOSS) CARRIED FORWARD</u>	<u>£(6,757)</u>	<u>£(8,542)</u>

All operations are continuing. There were no acquisitions or discontinued operations in the current or preceding year. The above profit and loss account contains all gains and losses recognised in the current and preceding year.

The attached notes form part of the financial statements.

KELLCHEST HARVARD LIMITEDBALANCE SHEET30 JUNE 2000

	2000 £	1999 £
<u>FIXED ASSETS</u>		
Tangible assets (Note 6)	11,431	1,722
Intangible assets (Note 7)	<u>2,718</u>	<u>1,597</u>
	14,149	<u>3,319</u>
<u>CURRENT ASSETS</u>		
Stocks (Note 8)	50	264
Debtors (Note 9)	<u>4,102</u>	<u>10,764</u>
	4,152	11,028
<u>CREDITORS: amounts falling due within one year (Note 10)</u>	<u>25,054</u>	<u>22,885</u>
<u>NET CURRENT (LIABLITIES)</u>	(20,902)	(11,857)
	£(6,753)	£(8,538)
	=====	=====
<u>CAPITAL AND RESERVES</u>		
Called up share capital (Note 11)	4	4
Profit and loss account	(6,757)	(8,542)
	£(6,753)	£(8,538)
	=====	=====

The attached notes form part of the financial statements.

KELLCHEST HARVARD LIMITED

BALANCE SHEET (continued)

30 JUNE 2000

For the year ended 30 June 2000:

- (a) the company was entitled to the exemption from audit conferred by subsection (1) of section 249A of the Companies Act 1985;
- (b) no notice has been deposited under subsection (2) of section 249B in relation to the accounts for the financial year;
- (c) the directors acknowledge their responsibilities for -
 - (i) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, 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 accounts, so far as applicable to the company;
- (d) the financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the Board of Directors on 12 April 2001.

ON BEHALF OF THE BOARD

E. S. Langton

..... E.S. LANGTON - Director

The attached notes form part of the financial statements.

KELLCHEST HARVARD LIMITEDNOTES TO THE ACCOUNTS30 JUNE 2000**1. ACCOUNTING RESPONSIBILITIES OF THE DIRECTORS**

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 judgements and estimates that are reasonable and prudent;
- comply with applicable accounting standards 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 directors are responsible for maintaining 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. 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.

2. ACCOUNTING POLICIES**Accounting convention:**

The financial statements are prepared under the historical cost convention

Depreciation:

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its estimated useful life on the following annual bases except for

Computer equipment	: 25% straight line
Furniture and equipment	: 15% reducing balance
Motor vehicles	: 25% reducing balance

Deferred taxation:

No provision for deferred taxation has been made in respect of relief obtained by virtue of the company's claim for accelerated capital allowances since the directors are of the opinion that no liability to deferred taxation will arise in the foreseeable future.

KELLCHEST HARVARD LIMITEDNOTES TO THE ACCOUNTS30 JUNE 19993. TURNOVER

Turnover represents the invoiced amount of goods sold and services provided stated net of value added tax. The directors consider the business to be one activity.

The percentage of turnover arising in non United Kingdom markets was nil.

4. OPERATING LOSS

This is stated after charging:
Depreciation - own assets

2000	1999
£	£

400	588
-----	-----

5. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

Subject to the agreement of HM Inspector of Taxes the company has losses of £10,858 available for set off against future profits of the company.

6. FIXED ASSETS

	<u>Computer Equipment</u>	<u>Furniture/ Equipment</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost:				
At 1 July 1999	800	100	1,500	2,400
Disposals	-	-	(1,500)	(1,500)
Additions	234	-	11,000	11,234
At 30 June 2000	<u>1,034</u>	<u>100</u>	<u>11,000</u>	<u>12,134</u>
Accumulated depreciation:				
At 1 July 1999	275	28	375	678
Disposals	-	-	(375)	375
Charge for the year	160	11	229	400
At 30 June 2000	<u>435</u>	<u>39</u>	<u>229</u>	<u>703</u>
Written down value:				
At 30 June 2000	£ 599	£ 61	£ 10,771	£ 11,431
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 30 June 1999	£ 525	£ 72	£ 1,125	£ 1,722
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

7. INTANGIBLE ASSETS**Cost:**

At 1 July 1999	1,597
Additions in year - Website & licences	<u>1,121</u>
At 30 June 2000	£ 2,718

KELLCHEST HARVARD LIMITEDNOTES TO THE ACCOUNTS30 JUNE 2000

	2000	1999
8. <u>STOCKS</u>		
Goods for resale	£ 50	£ 264
	<hr/>	<hr/>
9. <u>DEBTORS</u>		
Corporation tax recoverable	-	462
Trade debtors	4,102	982
Other debtors	-	9,320
	<hr/>	<hr/>
	£ 4,102	£ 10,764
	<hr/>	<hr/>
10. <u>CREDITORS</u> : amounts falling due within one year		
Bank overdraft	11,084	7,411
Trade creditors	7,338	2,310
Other taxes and social security	3,005	201
Directors current accounts	2,823	9,620
Accruals	500	3,343
	<hr/>	<hr/>
	£ 25,054	£ 22,885
	<hr/>	<hr/>
11. <u>SHARE CAPITAL</u>		
Authorised:		
100 ordinary shares of £1 each	£ 100	£ 100
	<hr/>	<hr/>
Called up and fully paid:		
4 ordinary shares of £1 each	£ 4	£ 4
	<hr/>	<hr/>
12. <u>RECONCILIATION OF MOVEMENT ON SHAREHOLDERS' FUNDS</u>		
Profit/(Loss) for the financial		
year after taxation	1,785	(6,026)
Shareholders' funds at 1 July 1999	(8,538)	(2,512)
	<hr/>	<hr/>
Shareholders' funds at 30 June 2000	£(6,753)	£(8,538)
	<hr/>	<hr/>
13. <u>RELATED PARTIES TRANSACTIONS</u>		
The company was controlled throughout the current and preceding period by its directors who owned the company's share capital.		
At 30 June 2000 the balance due to them was as follows:		
E. Langton	£1,453	
M. Williams	£1,370	