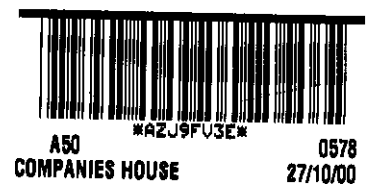


FLETCHER HEATH LIMITED
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 2000

IAN YARWOOD & CO
CHARTERED ACCOUNTANTS
SOLIHULL



FLETCHER HEATH LIMITED

COMPANY INFORMATION

Directors

Mr T. G. Heath
Mr L. Everett
Mr R. W. Ayling
Mr M. J. Cicinski Millett

Secretary

Mr T. G. Heath

Company Number

3143480

Registered Office

631 Warwick Road
Solihull
West Midlands
B91 1AR

Auditors

Ian Yarwood & Co
2 Station Road
Solihull
West Midlands
B91 3SB

FLETCHER HEATH LIMITED

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FLETCHER HEATH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 2000

The directors present their report together with the audited accounts for the year ended 30th June 2000.

Principal Activities and Review of Business

The company's principal activities continued to be that of business organisation and systems consultancy.

Results and Dividends

The results for the year are set out in the profit and loss account on page 4.

The directors consider the state of the company's affairs to be satisfactory.

The directors do not recommend a dividend .

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	30th June 2000	1st July 1999
Mr T. G. Heath	20	20
Mr L. Everett	-	-
Mr R. W. Ayling	20	20
Mr M. J. Cicinski Millett (resigned 30th June 2000)	20	20

Directors' Responsibilities

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

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent;

Prepare the accounts 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 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.

FLETCHER HEATH LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30TH JUNE 2000

Auditors

A resolution to reappoint Ian Yarwood & Co Chartered Accountants as auditors will be put to the members at the Annual General Meeting.

This report was approved by the board on 20th October 2000, and signed on its behalf.



Mr T. G. Heath, Secretary
20th October 2000

AUDITORS' REPORT TO THE SHAREHOLDERS OF FLETCHER HEATH LIMITED

We have audited the accounts on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and report our opinion to you.

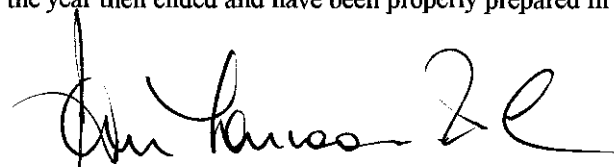
Basis of Opinion

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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th June 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ian Yarwood & Co
Chartered Accountants and Registered Auditors
2 Station Road
Solihull
West Midlands
B91 3SB
Date: 20th October 2000

FLETCHER HEATH LIMITED**PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 30TH JUNE 2000**

	Notes	2000 £	1999 £
Turnover	2	842,625	907,240
Cost of Sales		<u>765,228</u>	<u>880,950</u>
Gross Profit		77,397	26,290
Administrative Expenses		<u>97,171</u>	<u>34,517</u>
Operating Loss	3	(19,774)	(8,227)
Interest Receivable		77	42
Interest Payable and Similar Charges	5	<u>(11)</u>	<u>-</u>
Loss on Ordinary Activities before Taxation		(19,708)	(8,185)
Tax on loss on ordinary activities	6	<u>(300)</u>	<u>(1,725)</u>
Loss for the Financial Year	12	(19,408)	(6,460)
Retained Profit Brought Forward		<u>28,865</u>	<u>35,325</u>
Retained Profit Carried Forward		<u>9,457</u>	<u>28,865</u>

All amounts relate to continuing activities.

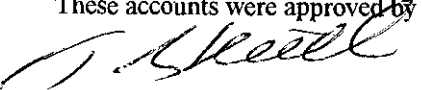
FLETCHER HEATH LIMITED

BALANCE SHEET

AS AT 30TH JUNE 2000

	Notes	£	2000 £	£	1999 £
Fixed Assets					
Tangible assets	7		4,561		7,637
Current Assets					
Debtors	8	79,874		151,018	
Cash at bank and in hand		3,844		60,408	
		83,718		211,426	
Creditors: Amounts Falling Due Within One Year	9	78,762		189,896	
Net Current Assets			4,956		21,530
Total Assets Less Current Liabilities			9,517		29,167
Provision for Liabilities and Charges					
Deferred taxation	10		-		242
			9,517		28,925
Capital and Reserves					
Share capital	11		60		60
Profit and loss account	12		9,457		28,865
Shareholders' Funds			9,517		28,925

These accounts were approved by the board on 20th October 2000 and signed on its behalf.


Mr T. G. Heath
Director

FLETCHER HEATH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2000

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Furniture and equipment	5 years
Other Fixed Assets	3 years

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

2 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

3 Operating Loss

The operating loss is arrived at after charging or crediting:

	2000	1999
	£	£
Depreciation of owned assets	3,076	3,075
Directors' remuneration	25,333	7,000
Auditors' remuneration	1,400	1,200

FLETCHER HEATH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2000

4 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	2000	1999
	£	£
Wages and salaries	52,213	12,000
Social security costs	4,227	478
	<u>56,440</u>	<u>12,478</u>

The average monthly number of employees, including directors, during the year was as follows:

	2000 Number	1999 Number
Office & Management	4	4
	<u>4</u>	<u>4</u>

Directors' emoluments

	2000	1999
	£	£
Emoluments	25,333	7,000
	<u>25,333</u>	<u>7,000</u>

5 Interest Payable and Similar Charges

	2000	1999
	£	£
Bank overdrafts and loans	11	-

6 Taxation

	2000	1999
	£	£
Based on the loss for the year		
UK corporation tax at 20% (1999 21%)	-	(1,910)
Deferred tax charge	(242)	242
	<u>(242)</u>	<u>(1,668)</u>
Prior periods		
UK corporation tax	(58)	(57)
	<u>(300)</u>	<u>(1,725)</u>

FLETCHER HEATH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2000

7 Tangible Fixed Assets

	Furniture and Equipment	Other Fixed Assets	Total
Cost	£	£	£
At 1st July 1999	3,541	7,171	10,712
At 30th June 2000	3,541	7,171	10,712
Depreciation			
At 1st July 1999	708	2,367	3,075
Charge for the year	708	2,368	3,076
At 30th June 2000	1,416	4,735	6,151
Net Book Value			
At 30th June 2000	2,125	2,436	4,561
<i>At 30th June 1999</i>	<i>2,833</i>	<i>4,804</i>	<i>7,637</i>

8 Debtors

	2000	1999
	£	£
Trade debtors	78,921	141,762
Other debtors	953	5,836
Prepayments and accrued income	-	3,420
	79,874	151,018

9 Creditors: Amounts Falling Due Within One Year

	2000	1999
	£	£
Trade creditors	67,455	179,612
Other taxes and social security	3,006	1,807
Accruals and deferred income	8,301	8,477
	78,762	189,896

FLETCHER HEATH LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 30TH JUNE 2000

10 Deferred Taxation

The movements in deferred taxation during the current and previous years are as follows:

	2000 £	1999 £
At 1st July 1999	242	-
Movement in the year	(242)	242
At 30th June 2000	-	242

11 Share Capital

Authorised Equity Shares

100,000 Ordinary shares of £1.00 each

2000 £	1999 £
100,000	100,000
100,000	100,000

Allotted Equity Shares

60 Allotted, called up and fully paid ordinary shares of £1.00 each

60	60
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12 Reserves

	Profit and Loss Account
At 1st July 1998	£ 35,325
Loss for the year	(6,460)
At 1st July 1999	28,865
Loss for the year	(19,408)
At 30th June 2000	9,457

13 Transactions with Directors

The Company purchased services from Companies controlled by the Directors as follows:

Mr T. G. Heath	£60,281
Mr L. Everett	£6,670
Mr R. W. Ayling	£77,050
Mr M. J. Cicinski Millett	£107,786