

MICRO MINDER PLC
FINANCIAL STATEMENTS

31 MARCH 2000

Registered number: 1831793

JOHN CUMMING ROSS
CHARTERED CERTIFIED ACCOUNTANTS

29-30 Glasshouse Yard

London EC1A 4JN



MICRO MINDER PLC
FINANCIAL STATEMENTS
for the year ended 31 March 2000

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COMPANY INFORMATION

31 March 2000

INCORPORATED	in England and Wales on 11 July 1984
NUMBER	1831793
CHAIRMAN	Mr B G Sheth
OTHER DIRECTORS	Mrs K B Sheth
SECRETARY	Mr V Shah
REGISTERED OFFICE	8A Wadsworth Road Perivale, Greenford Middlesex UB6 7JD
BANKERS	National Westminster Bank PLC 1 Mincing Lane London EC3M 3JH
SOLICITORS	Kumar & Company Talbot House 204-226 Imperial Drive Harrow Middlesex HA2 7HH
AUDITORS	John Cumming Ross Chartered Certified Accountants Therese House 29-30 Glasshouse Yard London EC1A 4JN

MICRO MINDER PLC**DIRECTORS' REPORT****31 March 2000**

The directors present their report and the audited financial statements for the year ended 31 March 2000.

Principal activity

The principal activity of the company during the year was that of dealing in computer hardware and software and provision of ancillary services.

Business review

The company's balance sheet as detailed on page 6 shows a satisfactory position, shareholders' funds amounting to £373,302.

Results and dividends

The results for the year are shown in the profit and loss account on page 5. The directors do not recommend a dividend on the ordinary shares for the year.(1999:Nil per ordinary share).

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31 March 2000	1 April 1999
	Ordinary shares	Ordinary shares
Mr B G Sheth	75,000	75,000
Mrs K B Sheth	75,000	75,000

Supplier payment policy

It is the company's policy to settle the terms of payment with suppliers when agreeing each transactions, to ensure that suppliers are made aware of these terms and abide by them. In 1999/2000 it was the company policy to pay bills 30 days after the date of receipt of the invoice, provided the goods or work to which the invoice relates have been received or completed to our satisfaction and any credit period has not expired. The trade creditors outstanding at the year end represented 37 days' purchases.

Future developments

The directors are optimistic about the long-term prospects for continued growth.

Auditors

John Cumming Ross have agreed to offer themselves for re-appointment as auditors of the company.

On behalf of the board



Mr V Shah
Secretary

8A Wadsworth Road
Perivale, Greenford
Middlesex UB6 7JD

25 / 10 / 2000

MICRO MINDER PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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 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 directors are 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. 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.

25 / 10 / 2000

On behalf of the board



Mr B G Sheth
Director

MICRO MINDER PLC**AUDITORS' REPORT****Auditors' report to the members of****Micro Minder Plc**

We have audited the financial statements on pages 5 to 14 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

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.

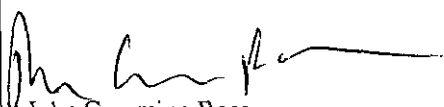
Basis of opinion

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 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 error or other irregularity. 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 31 March 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



John Cumming Ross
Chartered Certified Accountants and Registered Auditors
Therese House
29-30 Glasshouse Yard
London EC1A 4JN

26 / 10 / 2000

MICRO MINDER PLC
PROFIT AND LOSS ACCOUNT
for the year ended 31 March 2000

	Note	2000 £	1999 £
Turnover	2	1,444,570	1,138,284
Cost of sales		(1,068,713)	(863,058)
Gross profit		<u>375,857</u>	<u>275,226</u>
Net operating expenses			
Administrative expenses		(253,639)	(239,667)
Operating profit	3	<u>122,218</u>	<u>35,559</u>
Investment income	5	12,867	-
Interest payable	6	(5,327)	(7,458)
Profit on ordinary activities before taxation		<u>129,758</u>	<u>28,101</u>
Taxation	7	(28,100)	(6,959)
Profit on ordinary activities after taxation		<u>101,658</u>	<u>21,142</u>
retained for the year	16	<u><u>101,658</u></u>	<u><u>21,142</u></u>

Movements in reserves are shown in note 16.

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

There were no recognised gains and losses in 2000 or 1999 other than the profit for the year.

MICRO MINDER PLC

BALANCE SHEET

at 31 March 2000

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	8	150,893	171,672
Current assets			
Stocks	10	49,690	65,599
Debtors	11	401,848	312,312
Cash at bank and in hand		127,454	9,673
		<u>578,992</u>	<u>387,584</u>
Creditors: amounts falling due within one year	12	<u>(352,581)</u>	<u>(263,539)</u>
Net current assets		<u>226,411</u>	<u>124,045</u>
Total assets less current liabilities		<u>377,304</u>	<u>295,717</u>
Creditors: amounts falling due after more than one year	13	<u>(4,002)</u>	<u>(24,073)</u>
		<u>373,302</u>	<u>271,644</u>
Capital and reserves			
Called up share capital	15	150,000	150,000
Profit and loss account	16	223,302	121,644
Total shareholders' funds	14	<u>373,302</u>	<u>271,644</u>

The financial statements on pages 5 to 14 were approved by the board of directors on 25/10/2000 and signed on its behalf by:



Mr B G Sheth
Director

MICRO MINDER PLC
CASH FLOW STATEMENT
for the year ended 31 March 2000

	Note	£	2000 £	£	1999 £
Net cash inflow from operating activities	17		177,873		37,589
Returns on investments and servicing of finance					
Interest received		449		-	
Interest paid		(2,330)		(4,521)	
Interest element of finance lease rental payments		(2,997)		(2,897)	
			(4,878)		(7,418)
Taxation					
Corporation tax paid			(6,983)		(10,776)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(643)		(7,514)	
Sale of tangible fixed assets		-		1,702	
			(643)		(5,812)
			165,369		13,583
Financing					
Debt due within a year:					
Bank loan repayments		(23,530)		(9,839)	
Debt due beyond a year:					
Bank loan repayments		-		(3,227)	
Capital element of finance lease rentals		(11,578)		(5,959)	
			(35,108)		(19,025)
Increase/(decrease) in cash			130,261		(5,442)

NOTES ON FINANCIAL STATEMENTS

31 March 2000

1 Accounting policies**Basis of accounting**

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

Turnover

Turnover represents the amount derived from the provision of goods and services after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold buildings	2.5% p.a. on straight line basis
Plant and machinery	25% p.a. on straight line basis
Motor vehicles	25% p.a. on straight line basis
Fixtures and fittings	25% p.a. on straight line basis

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

The turnover for the year was derived from the company's principal activity. The whole of the turnover is attributable to the UK market.

NOTES ON FINANCIAL STATEMENTS

31 March 2000

3 Operating profit

	2000 £	1999 £
Operating profit is stated after crediting:		
Profit on sale of assets	-	1,005
and after charging:		
Staff costs (note 4)	174,673	153,651
Auditors' remuneration	3,898	3,600
Operating leases:		
Hire of plant and machinery	3,090	1,803
Depreciation of tangible fixed assets (note 8):		
Owned assets	5,941	7,124
Leased assets	15,482	12,869
	21,423	19,993
The total amount charged against profits in respect of finance leases and hire purchase contracts is (of which part is shown as depreciation and the balance is shown as interest payable in note 6)	18,479	15,766

4 Directors and employees

	2000 £	1999 £
Staff costs including directors' emoluments		
Wages and salaries	159,598	140,183
Social security costs	15,075	13,468
	174,673	153,651
Average monthly number employed including executive directors:	Number	Number
Office and management	5	10
Directors	£	£
Emoluments	67,934	61,333

5 Investment income

	2000 £	1999 £
Interest receivable	449	-
Other income	12,418	-
	12,867	-

MICRO MINDER PLC

NOTES ON FINANCIAL STATEMENTS

31 March 2000

6 Interest payable

	2000 £	1999 £
Bank loan interest	2,330	4,521
Hire purchase interest	2,997	2,897
Interest on late payment of tax	-	40
	<u>5,327</u>	<u>7,458</u>

7 Taxation

	2000 £	1999 £
Corporation tax on profit on ordinary activities at 20% (1999 21%)	28,100	6,983
Over provision in earlier years	-	(24)
	<u>28,100</u>	<u>6,959</u>

8 Tangible fixed assets

Cost	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1 April 1999	54,739	21,411	6,778	142,783	225,711
Additions	-	643	-	-	643
Disposals	-	(3,943)	-	-	(3,943)
31 March 2000	<u>54,739</u>	<u>18,111</u>	<u>6,778</u>	<u>142,783</u>	<u>222,411</u>
Depreciation					
1 April 1999	15,531	13,674	6,262	18,572	54,039
Charge for the year	13,685	3,953	215	3,570	21,423
Disposals	-	(3,943)	-	-	(3,943)
31 March 2000	<u>29,216</u>	<u>13,684</u>	<u>6,477</u>	<u>22,142</u>	<u>71,519</u>
Net book amount					
31 March 2000	<u>25,524</u>	<u>4,427</u>	<u>300</u>	<u>120,642</u>	<u>150,893</u>
1 April 1999	<u>39,208</u>	<u>7,737</u>	<u>516</u>	<u>124,211</u>	<u>171,672</u>

The net book amount of fixed assets includes £26,423 (1999 £41,905) in respect of assets held under finance leases and hire purchase contracts, the depreciation of which is shown in note 3.

MICRO MINDER PLC

NOTES ON FINANCIAL STATEMENTS

31 March 2000

9 Tangible fixed assets (continued)

	2000 £	1999 £
Freehold	<u>120,642</u>	<u>124,211</u>

In the opinion of the directors there is no significant difference between the present market value of the property and the amount stated in the financial statements.

10 Stocks

	2000 £	1999 £
Raw materials	<u>49,690</u>	<u>65,599</u>
	<u>49,690</u>	<u>65,599</u>

11 Debtors

	2000 £	1999 £
Amounts falling due within one year		
Trade debtors	387,864	304,012
Other debtors	12,815	7,093
Prepayments and accrued income	<u>1,169</u>	<u>1,207</u>
	<u>401,848</u>	<u>312,312</u>

12 Creditors: amounts falling due within one year

	2000 £	1999 £
Bank loans and overdrafts	40,488	63,079
Trade creditors	230,548	138,073
Corporation tax	28,100	6,983
Other taxation and social security	9,469	9,397
Dividend	2,500	2,500
Other creditors	26,690	21,945
Accruals and deferred income	3,850	5,700
Obligations under finance leases and hire purchase contracts - note 13	<u>10,936</u>	<u>15,862</u>
	<u>352,581</u>	<u>263,539</u>

The amount of recourse debt included in trade creditors amounts to £117,311 1999:£ (48,905).

NOTES ON FINANCIAL STATEMENTS

31 March 2000

13 Creditors: amounts falling due after more than one year

	2000 £	1999 £
Other liabilities		
Bank loans	-	13,419
Obligations under finance leases and hire purchase contracts	4,002	10,654
	<u>4,002</u>	<u>24,073</u>

Maturity of debt

In one year or less, or on demand - see note 12	15,749	25,860
In more than one year but not more than two years	-	13,419
	<u>15,749</u>	<u>39,279</u>

**Obligations under finance leases
and hire purchase contracts**

These are repayable over varying periods
by monthly instalments as follows:

In the next year - see note 12	10,936	15,862
In the second to fifth years	-	10,654
	<u>10,936</u>	<u>26,516</u>

The bank loan and overdraft are secured by a debenture over all the assets of the company and a legal mortgage over the freehold property situated at 8A Wadsworth Road, Perivale, Greenford, Middlesex UB6 7JD.

The bank loan is repayable by monthly instalments together with interest at 2.5% above the base rate.

14 Reconciliation of movements in shareholders' funds

	2000 £	1999 £
Profit for the financial year representing a Net addition to shareholders' funds	101,658	21,142
Opening shareholders' funds	<u>271,644</u>	<u>250,502</u>
Closing shareholders' funds	<u>373,302</u>	<u>271,644</u>

MICRO MINDER PLC

NOTES ON FINANCIAL STATEMENTS

31 March 2000

15 Called up share capital

	2000		1999	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>	<u>250,000</u>
Allotted, called up and fully paid				
Equity shares				
Ordinary shares of £1 each	<u>150,000</u>	<u>150,000</u>	<u>100,000</u>	<u>100,000</u>
Bonus issue	<u>-</u>	<u>-</u>	<u>50,000</u>	<u>50,000</u>
		<u>150,000</u>		<u>150,000</u>

16 Profit and loss account

	2000 £
1 April 1999	121,644
Retained profit for the year	<u>101,658</u>
31 March 2000	<u>223,302</u>

17 Notes to the cash flow statement

Reconciliation of operating profit
to operating cash flows

	2000 £	1999 £
Operating profit	134,636	35,519
Depreciation charges	21,423	19,993
Profit on sale of fixed assets	-	(1,005)
Decrease in stocks	15,909	6,676
(Increase)/decrease in debtors	(89,536)	47,164
Increase/(decrease) in creditors	<u>95,441</u>	<u>(70,758)</u>
Net cash inflow from operating activities	<u>177,873</u>	<u>37,589</u>

MICRO MINDER PLC

NOTES ON FINANCIAL STATEMENTS

31 March 2000

17 Notes to the cash flow statement (continued)

Analysis of changes in net debt

	At start of year £	Cash flows £	Other changes £	At end of year £
Cash at bank and in hand	9,673	117,781	-	127,454
Bank overdrafts	(37,219)	12,480	-	(24,739)
		<u>130,261</u>		
Debt due within 1 year	(25,860)	23,530	(13,419)	(15,749)
Debt due after 1 year	(13,419)	-	13,419	-
Finance leases	(26,516)	11,578	-	(14,938)
		<u>35,108</u>		
Total	<u>(93,341)</u>	<u>165,369</u>	<u>-</u>	<u>72,028</u>

Reconciliation of net cash flow to movement in net debt

	2000 £	1999 £
Increase/(decrease) in cash in the year	130,261	(5,442)
Cash outflow from decrease in debt and lease financing	35,108	19,025
Change in net debt resulting from cash flows	165,369	13,583
New finance leases	-	(14,241)
Movement in net debt in the year	<u>165,369</u>	<u>(658)</u>
Net debt at 1 April 1999	(93,341)	(92,683)
Net debt at 31 March 2000	<u>72,028</u>	<u>(93,341)</u>

18 Related party transactions

At the balance sheet date amount owed by the company to the directors amounted to £24,951 (1999:£19,845).

For the whole year, the company was under the control of Mr B G Sheth and his wife Mrs K B Sheth who are both directors and shareholders of the company.