

AUDITORS REPORT TO EDMUND SERVICES LIMITED

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on Pages 3 and 5 to 7 together with the financial statements of the company for the year ended 31st October 2000 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The Directors are responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the Accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

BASIS OF OPINION

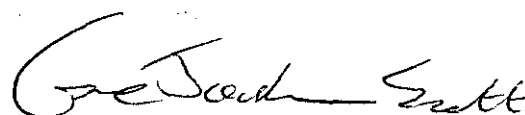
We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the financial statements.

OPINION

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246(5) and (6) of the Companies Act 1985 in respect of the year ended 31st October 2000 and the abbreviated accounts on Pages 3 and 5 to 7 properly prepared in accordance with those provisions.

20 Balgores Square
Gidea Park
Romford
Essex
RM2 6AY

5th January 2001



Gane Jackson Scott
Chartered Accountants and
Registered Auditors



EDMUND SERVICES LIMITED

BALANCE SHEET - 31ST OCTOBER 2000

	Note	£	£	1999 £
FIXED ASSETS				
Tangible	3		107,738	85,581
CURRENT ASSETS				
Work-in-Progress		7,357		9,615
Debtors and Prepayments	4	207,784		112,544
Cash and Bank Balances		112,506		114,135
		<u>327,647</u>		<u>236,294</u>
CREDITORS				
(Amounts falling due within one year)				
Creditors and Accruals	5	138,296		139,376
Maintenance Contracts Paid in Advance		63,834		67,650
Hire Purchase Liability		8,453		10,451
Directors Loan Accounts		48,654		6,553
Corporation Tax		35,081		31,848
		<u>294,318</u>		<u>255,878</u>
NET CURRENT LIABILITIES			33,329	(19,584)
FIXED ASSETS LESS NET CURRENT LIABILITIES			<u>141,067</u>	<u>65,997</u>
CREDITORS				
(Amounts falling due after ore than one year)				
Hire Purchase Liability			10,211	6,805
			<u>£130,856</u>	<u>£ 59,192</u>
			=====	=====
CAPITAL AND RESERVES				
Called Up Share Capital	2		4	4
Profit and Loss Account			130,852	59,188
			<u>£130,856</u>	<u>£ 59,192</u>
SHAREHOLDERS FUNDS			=====	=====

These Accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies (S.246(8)) and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

..... Director

Approved by the Board on 5th January 2001

EDMUND SERVICES LIMITED

NOTES TO THE ACCOUNTS

31ST OCTOBER 2000

1. ACCOUNTING POLICIES

The Company has followed the accounting principles laid down in the Companies Act 1985. Included in the accounting policies adopted in determining the amounts at which items are stated in the Profit and Loss Account are the following:

a) Turnover

Turnover comprises the invoiced value of goods and services supplied by the Company net of Value Added Tax and Trade Discounts.

b) Depreciation of Tangible Fixed Assets

Fixed Assets are being depreciated so as to write them off over their anticipated useful lives by equal instalments at the following annual rates:

Equipment	15% Straight Line
Motor Vehicles	25% Straight Line

c) Work-in-Progress

Work-in-Progress has been valued at the lower of cost and net realisable value.

d) Deferred Taxation

No provision is made for deferred taxation, as the directors do not consider that it is likely that liabilities caused by timing differences will crystallise in the foreseeable future.

e) Finance Leases

Assets obtained under finance leases and hire purchase contracts are capitalised as Tangible Fixed Assets and Depreciated over the shorter of the lease term and their useful lives, or as in the case of hire purchase contracts, over their estimated useful lives. Finance lease are those where substantially all the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of finance charge allocated to future periods. The finance element of the rental payment is charged to the Profit and Loss Account so as to produce a constant periodic rate of charge on the net obligations outstanding in each period.

f) Pension Costs

The Company operates a money purchase pension scheme, in respect of the two directors. The assets of the scheme are held separately from those of the company. The charge in the Accounts represents payments made to the scheme during the year. At the year end there were no outstanding liabilities due to the scheme which have not been provided for.

g) Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from producing a Cash Flow Statement on the grounds that it is a small company.

EDMUND SERVICES LIMITED

NOTES TO THE ACCOUNTS

31ST OCTOBER 2000

2. SHARE CAPITAL

	<u>1999</u>	
<u>Authorised</u>		
Ordinary Shares of £0.5 each	£ 100	£ 100
	=====	=====
<u>Allotted and Fully Paid</u>		
Ordinary Shares of £0.5 each	£ 4	£ 4
	=====	=====

3. TANGIBLE FIXED ASSETS

	<u>Motor Vehicles</u>	<u>Equipment</u>	<u>Total</u>
<u>Cost</u>	£	£	£
At 1st November 1999	78,462	66,111	144,573
Additions	56,832	3,347	60,179
Disposals	(15,137)	-	(15,137)
	-----	-----	-----
At 31st October 2000	£120,157	£ 69,458	£189,615
	=====	=====	=====
<u>Depreciation</u>			
At 1st November 1999	28,403	30,589	58,992
Charge for the Year	21,076	8,546	29,622
On Disposals	(6,737)	-	(6,737)
	-----	-----	-----
At 31st October 2000	£ 42,742	£ 39,135	£ 81,877
	=====	=====	=====
<u>Written Down Value</u>			
At 31st October 2000	£ 77,415	£ 30,323	£107,738
	=====	=====	=====
At 31st October 1999	£ 50,059	£ 35,522	£ 85,581
	=====	=====	=====

1999

Written Down Value of Motor Vehicles held under Hire Purchase agreements included in the above total	£ 23,618	£ 31,379
	-----	=====
Depreciation of Motor Vehicles held under Hire Purchase agreements included in above total	£ 5,660	£ 11,629
	=====	=====

EDMUND SERVICES LIMITED

NOTES TO THE ACCOUNTS

31ST OCTOBER 2000

	£	1999 £
4. DEBTORS		
Trade Debtors	199,793	96,285
Others	7,991	16,259
	<u>£207,784</u>	<u>£112,544</u>
	=====	=====
5. CREDITORS		
(Amounts falling due within one year)		
Trade Creditors	88,463	61,519
Other Creditors	49,833	77,857
	<u>£138,296</u>	<u>£139,376</u>
	=====	=====

6. FINANCIAL COMMITMENTS

The company has a commitment under an operating lease for the rent of office premises for 5 years from 25th October 1999 at £15,000 per annum. The landlords are the company's self-administered pension scheme.

7. PROFIT ON ORDINARY ACTIVITIES

Profit on Ordinary Activities has been arrived at after charging:

Depreciation of Fixed Assets	£ 29,622	£ 24,138
Directors Emoluments	£132,851	£196,442
Auditors Remuneration	£ 3,800	£ 3,300
Hire of Plant and Machinery	£ 371	£ 393
	=====	=====