

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2000
FOR
Micro Electronic Services Ltd**



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Micro Electronic Services Ltd

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for the Year Ended 31 December 2000**

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Micro Electronic Services Ltd

COMPANY INFORMATION
for the Year Ended 31 December 2000

DIRECTORS:

P A Boxall
Mrs H L Boxall
M A P Godding

SECRETARY:

Mrs H L Boxall

REGISTERED OFFICE:

Aircraft Esplanade
Farnborough
Hampshire
GU14 6TG

REGISTERED NUMBER:

2278708

ACCOUNTANTS:

Maxwell, Jones & Co
Registered Auditors
Sherwood House
41 Queens Rd
Farnborough
Hants
GU14 6JP

Micro Electronic Services Ltd

REPORT OF THE DIRECTORS
for the Year Ended 31 December 2000

The directors present their report with the financial statements of the company for the year ended 31 December 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the sale of computer management systems and maintenance.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The results for the year have been substantially impaired by the write-off of a loan to an associated company of £72,572. The directors are, however, confident that this will have no adverse effect on the company's future performance.

DIRECTORS

The directors during the year under review were:

P A Boxall
Mrs H L Boxall

The beneficial interests of the directors holding office on 31 December 2000 in the issued share capital of the company were as follows:

	31.12.00	1.1.00
Ordinary £1 shares		
P A Boxall	7	7
Mrs H L Boxall	3	3

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

ON BEHALF OF THE BOARD:



- DIRECTOR

Dated: 4.12.01

Micro Electronic Services Ltd

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 2000

	Notes	31.12.00		31.12.99	
		£	£	£	£
TURNOVER			822,368		997,441
Cost of sales			476,578		634,836
GROSS PROFIT			345,790		362,605
Distribution costs		15,834		19,381	
Administrative expenses		368,892		311,022	
			384,726		330,403
OPERATING (LOSS)/PROFIT	2		(38,936)		32,202
Interest receivable and similar income			196		25
			(38,740)		32,227
Interest payable and similar charges			5,204		5,598
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(43,944)		26,629
Tax on (loss)/profit on ordinary activities	3		8,101		7,327
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			(52,045)		19,302
Dividends	4		60,000		45,000
			(112,045)		(25,698)
Retained profit brought forward			100,456		126,154
(DEFICIT)/RETAINED PROFIT CARRIED FORWARD			£(11,589)		£100,456

The notes form part of these financial statements

Micro Electronic Services Ltd

BALANCE SHEET
31 December 2000

		31.12.00		31.12.99	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		49,447		61,624
CURRENT ASSETS:					
Stocks		27,337		58,750	
Debtors	6	148,505		243,468	
Cash at bank and in hand		470		5,070	
		<u>176,312</u>		<u>307,288</u>	
CREDITORS: Amounts falling due within one year	7	<u>237,338</u>		<u>268,446</u>	
NET CURRENT (LIABILITIES)/ASSETS:			<u>(61,026)</u>		<u>38,842</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£(11,579)</u>		<u>£100,466</u>
CAPITAL AND RESERVES:					
Called up share capital	8		10		10
Profit and loss account			<u>(11,589)</u>		<u>100,456</u>
SHAREHOLDERS' FUNDS:			<u>£(11,579)</u>		<u>£100,466</u>

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 December 2000.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2000 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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

ON BEHALF OF THE BOARD:


.....
- DIRECTOR

Approved by the Board on 4.12.01.....

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2000

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

Turnover represents net invoiced sales of goods & services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and Machinery	- 20% on reducing balance
Fixtures and Fittings	- 20% on reducing balance
Motor Vehicles	- 25% on reducing balance
Office Equipment	- 20% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Micro Electronic Services Ltd

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2000

2. OPERATING (LOSS)/PROFIT

The operating loss (1999 - operating profit) is stated after charging:

	31.12.00	31.12.99
	£	£
Depreciation - owned assets	13,531	11,160
Depreciation - assets on hire purchase contracts	-	3,423
Loss on disposal of fixed assets	-	1,881
Auditors' remuneration	1,410	6,640
Pension costs	12,244	10,800
Operating Leases		
- Land & Buildings	19,000	19,000
	<u>15,000</u>	<u>23,943</u>
Directors' emoluments and other benefits etc		
	<u>15,000</u>	<u>23,943</u>

The number of directors to whom retirement benefits were accruing was as follows:

	1	1
	=	=
Money purchase schemes		

3. TAXATION

The tax charge on the loss on ordinary activities for the year was as follows:

	31.12.00	31.12.99
	£	£
UK corporation tax	8,101	7,327
	<u>8,101</u>	<u>7,327</u>

UK corporation tax has been charged at 20% (1999 - 20%).

4. DIVIDENDS

	31.12.00	31.12.99
	£	£
Dividend	60,000	45,000
	<u>60,000</u>	<u>45,000</u>

Micro Electronic Services Ltd

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2000

5. TANGIBLE FIXED ASSETS

	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Office Equipment	Totals
	£	£	£	£	£
COST:					
At 1 January 2000	5,938	19,485	62,515	84,018	171,956
Additions	-	-	-	1,354	1,354
At 31 December 2000	5,938	19,485	62,515	85,372	173,310
DEPRECIATION:					
At 1 January 2000	3,406	12,761	43,788	50,377	110,332
Charge for year	506	1,344	4,682	6,999	13,531
At 31 December 2000	3,912	14,105	48,470	57,376	123,863
NET BOOK VALUE:					
At 31 December 2000	2,026	5,380	14,045	27,996	49,447
At 31 December 1999	2,531	6,724	18,727	33,642	61,624

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor Vehicles
	£
COST:	
At 1 January 2000	24,340
Transferred to ownership	(24,340)
At 31 December 2000	-
DEPRECIATION:	
At 1 January 2000	11,064
Transferred to ownership	(11,064)
At 31 December 2000	-
NET BOOK VALUE:	
At 31 December 2000	-
At 31 December 1999	13,276

Micro Electronic Services Ltd

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2000

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.00	31.12.99
	£	£
Trade Debtors	137,252	155,827
Other Debtors	4,952	5,328
Prepayments	6,301	12,151
Opus Entertainments (UK) Ltd	-	70,162
	<u>148,505</u>	<u>243,468</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.00	31.12.99
	£	£
Bank loans and overdrafts	40,302	28,351
Hire purchase contracts	-	5,977
Trade Creditors	104,911	125,493
PAYE & Other Taxes	14,734	36,520
Accrued Expenses	6,500	6,000
Lombard Creditor	36,564	18,857
Directors' current accounts	1,468	1,432
VAT	17,431	16,971
Taxation	15,428	28,845
	<u>237,338</u>	<u>268,446</u>

8. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	31.12.00	31.12.99
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.00	31.12.99
			£	£
10	Ordinary	£1	<u>10</u>	<u>10</u>

9. OTHER FINANCIAL COMMITMENTS

Operating Leases At 31 December 2000 the company was committed to making the following payments during the next year in respect of operating leases:

	Land and Buildings	Other
	£	£
Leases which expire		
Within one year	-	-
Within 2 to 5 years	-	-
After 5 years	19,000	-
	<u>19,000</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2000

10. CONTROL

P Boxall, a director, has 7 shares. His wife, Mrs H Boxall, a director has 3 shares and the company is therefore under their control.