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CLOCKWORK LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

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CLOCKWORK LIMITED

DIRECTORS REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1997

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The following schedules do not form part of the Statutory Financial Statements

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CLOCKWORK LIMITED

DIRECTORS AND ADVISERS

DIRECTOR	R C Courtney
SECRETARY	Miss J Bailey
REGISTERED OFFICE	2 Conway Walk Fordington Fields Dorchester Dorset DT1 2EJ
COMPANY NUMBER	3025035 (England and Wales)
ACCOUNTANTS	Scott Vevers Chartered Accountants 54A High West Street Dorchester Dorset DT1 1UT
BANKERS	Lloyds Bank Plc 3 South Street Wareham Dorset BH20 4LX

CLOCKWORK LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31 MARCH 1997

The Director presents his annual report and financial statements of the company for the year ended 31 March 1997.

PRINCIPAL ACTIVITIES

The company's principal activity continues to be the provision of computer services.

DIRECTOR

The Director who served during the year and his beneficial interest in the company's issued ordinary share capital was as follows:

	Number of Ordinary Shares of £1 Each	
	31 March 1997	31 March 1996
R C Courtney	2	2

DIVIDENDS

Interim dividends totalling £7000 (£3500 per share) were paid during the year (1996 £11500).

This report was approved by the Board on 23 January 1998, taking advantage of special exemptions available to small companies, conferred by Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the Board of Directors

.....

R C COURTNEY
Director

CLOCKWORK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 1997

	Notes	1997	1996
Turnover	2	42097	44159
Costs of Sales		261	57
Gross Profit		41836	44102
Administrative Expenses		23456	28296
Profit on ordinary activities before taxation	3	18380	15806
Tax on profit on ordinary activities	4	5166	4045
Profit for the Financial Year		13214	11761
Dividends	5	7000	11500
Retained profit for the Financial Year	12	£6214	£261

None of the company's activities were acquired or discontinued during the year, or during the preceding year.

There were no recognised gains or losses other than those included in the profit and loss account.

The profit on ordinary activities before taxation and the retained profit have been calculated on the historical cost basis.

The notes on pages 5 to 8 form part of these financial statements.

CLOCKWORK LIMITED

BALANCE SHEET AS AT 31 MARCH 1997

	Notes		1997		1996
TANGIBLE FIXED ASSETS	6		18229		6274
CURRENT ASSETS					
Debtors	7	5990		9902	
Stock		650		-	
Cash at Bank		6047		2278	
		12687		12180	
CREDITORS					
Amounts Falling Due Within One Year	8	17108		18191	
NET CURRENT LIABILITIES			(4421)		(6011)
TOTAL ASSETS LESS CURRENT LIABILITIES			13808		263
CREDITORS					
Amounts Falling Due After More Than One Year	9		7331		-
PROVISIONS FOR LIABILITIES AND CHARGES	10		-		-
			£6477		£263
CAPITAL AND RESERVES					
Called Up Share Capital	11		2		2
Profit and Loss Account	12		6475		261
Equity Shareholders Funds	13		£6477		£263

The Director considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of Section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the Company's share capital have not issued a notice requiring an audit. The Director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the Company as at 31 March 1997 and of its Profit for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the Company.

This report was approved by the Board of Directors on 23 January 1998 and has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

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R C COURTNEY
Director

The notes on pages 5 to 8 form part of these financial statements.

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements have been prepared under the historical cost convention and incorporate the results of the principal activity which is described in the Director's Report and which is continuing.

The Company has taken special advantage of the exemption in FRS1 from the requirement to prepare a cashflow statement on the grounds that it is a small Company.

b) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, excluding Value Added Tax and trade discounts.

c) Tangible Fixed Assets and Depreciation

Tangible Fixed Assets are stated at cost less depreciation. Depreciation is provided at the following annual rates in order to write off the cost of each asset, less its estimated residual value, over their expected useful life:-

Fixtures, Fittings and Equipment	3 Years Straight Line Method
Motor Vehicle	25% Reducing Balance Method

d) Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences, between the incidence of income and expenditure for taxation and accounting purposes, using the liability method, only to the extent that, in the opinion of the Directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

e) Stock

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

f) Hire Purchase

Assets obtained under Hire Purchase Agreements are capitalised as Tangible Fixed Assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods.

2. TURNOVER

The company did not export any of its turnover during the year.

7. DEBTORS

Due within One Year	1997	1996
Trade Debtors	3631	3600
Other Debtors and Prepayments	425	3427
Recoverable ACT	1750	2875
Corporation Tax	184	-
	£5990	£9902

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1997	1996
Directors Loan Account	1047	10306
Corporation Tax	5166	4045
Other Creditors	2204	432
Hire Purchase Agreement	4553	-
Taxation and Social Security	1989	1599
Accruals	2149	1809
	£17108	£18191

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1997	1996
Hire Purchase Agreement	£7331	£ -

10. DEFERRED TAXATION

	Provided For	Maximum Potential Liability	Provided For	Maximum Potential Liability
	1997	1997	1996	1996
Accelerated Capital Allowances	£ -	£ -	£ -	£ -

11. CALLED UP SHARE CAPITAL

	1997	1996
Authorised Ordinary Shares of £1 Each	£1000	£1000
Allotted Ordinary Shares of £1 Each Fully Paid	£2	£2

12. PROFIT AND LOSS ACCOUNT

	1997	1996
Balance at 1 April 1996	261	-
Retained Profit for the Financial Year	6214	261
Balance at 31 March 1997	£6475	£261

13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1997	1996
Shareholders Funds at 1 April 1996	263	-
Allotted Ordinary Shares of £1 Each	-	2
Retained Profit for the Financial Year	13214	11761
	13477	11763
Dividends Paid	7000	11500
Shareholders Funds at 31 March 1997	£6477	£263

14. CONTINGENT LIABILITIES

In the opinion of the Director the company had no contingent liabilities at 31 March 1997.

15. CAPITAL COMMITMENTS

There were no capital commitments at 31 March 1997.