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Report of the Directors and

Financial Statements

for the Period

16 July 1996 to 31 July 1997

for

TIMBERLAKE CONSULTANTS LIMITED



TIMBERLAKE CONSULTANTS LIMITED

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for the Period 16 July 1996 to 31 July 1997**

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TIMBERLAKE CONSULTANTS LIMITED

**Company Information
for the Period 16 July 1996 to 31 July 1997**

DIRECTORS:	A I TIMBERLAKE R P C D G FIUZA T TIMBERLAKE
SECRETARY:	ANA TIMBERLAKE
REGISTERED OFFICE:	47 HARTFIELD CRESCENT WEST WICKHAM Kent BR4 9DW
REGISTERED NUMBER:	3225632 (England and Wales)
AUDITORS:	Ashley Ross & Co Chartered Accountants Registered Auditors 1 Gatton Road London SW17 0EX

TIMBERLAKE CONSULTANTS LIMITED

Report of the Directors for the Period 16 July 1996 to 31 July 1997

The directors present their report with the financial statements of the company for the period 16 July 1996 to 31 July 1997.

INCORPORATION

The company was incorporated on 16 July 1996 and commenced trading on 1 November 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of computer consultancy and sales of computer software.

DIRECTORS

The directors during the period under review were:

A I TIMBERLAKE	- appointed 16.7.96
R P C D G FIUZA	- appointed 16.7.96
T TIMBERLAKE	- appointed 16.7.96

The beneficial interests of the directors holding office on 31 July 1997 in the issued share capital of the company were as follows:

	31.7.97	at date of appointment
Ordinary £1 shares		
A I TIMBERLAKE	98	98
R P C D G FIUZA	1	1
T TIMBERLAKE	1	1

All the directors, being eligible, offer themselves for election at the forthcoming first Annual General Meeting.

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 then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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.

AUDITORS

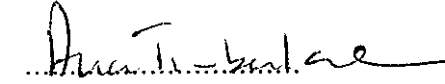
The auditors, Ashley Ross & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

TIMBERLAKE CONSULTANTS LIMITED

**Report of the Directors
for the Period 16 July 1996 to 31 July 1997**

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:

A handwritten signature in dark ink, appearing to read 'Ana Timberlake', written over a dotted line.

ANA TIMBERLAKE - SECRETARY

Dated: 12-5-1998

TIMBERLAKE CONSULTANTS LIMITED

**Report of the Auditors to the Shareholders of
TIMBERLAKE CONSULTANTS LIMITED**

We have audited the financial statements on pages five to nine which have been prepared under the historical cost convention and the accounting policies set out on page seven.

Respective responsibilities of directors and auditors

As described on page two 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

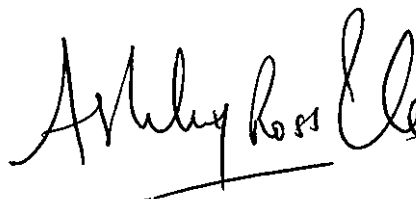
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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 other irregularity or error. 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 July 1997 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Ashley Ross & Co
Chartered Accountants
Registered Auditors
1 Gatton Road
London
SW17 0EX



Dated: 12/5/1998

TIMBERLAKE CONSULTANTS LIMITED

**Profit and Loss Account
for the Period 16 July 1996 to 31 July 1997**

	Notes	£
TURNOVER	2	161,330
Cost of sales		97,906
GROSS PROFIT		63,424
Administrative expenses		19,326
		44,098
Other operating income		301
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	44,399
Tax on profit on ordinary activities	5	9,693
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		34,706
RETAINED PROFIT CARRIED FORWARD		£34,706

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit for the current period.

The notes form part of these financial statements

TIMBERLAKE CONSULTANTS LIMITED

Balance Sheet

31 July 1997

	Notes	£	£
FIXED ASSETS:			
Tangible assets	6		1,522
CURRENT ASSETS:			
Debtors	7	46,693	
Cash at bank		20,079	
		66,772	
CREDITORS: Amounts falling due within one year	8	33,488	
NET CURRENT ASSETS:			33,284
TOTAL ASSETS LESS CURRENT LIABILITIES:			£34,806
CAPITAL AND RESERVES:			
Called up share capital	10		100
Profit and loss account			34,706
Shareholders' funds	11		£34,806

These financial statements have 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:

Ann T. ...
- DIRECTOR

Richard Mero
- DIRECTOR

Approved by the Board on 12-5-1998

The notes form part of these financial statements

TIMBERLAKE CONSULTANTS LIMITED

Notes to the Financial Statements for the Period 16 July 1996 to 31 July 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods, 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.

Fixtures and fittings - 25% on reducing balance

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.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. STAFF COSTS

	£
Wages and salaries	8,000
Social security costs	804
	8,804

The average monthly number of employees during the period was as follows:

Administration	2

4. OPERATING PROFIT

The operating profit is stated after charging:

	£
Depreciation - owned assets	507
Auditors' remuneration	2,250
Directors' emoluments and other benefits etc	8,000

TIMBERLAKE CONSULTANTS LIMITED

Notes to the Financial Statements for the Period 16 July 1996 to 31 July 1997

5. TAXATION

The tax charge on the profit on ordinary activities for the period was as follows:

	£
UK Corporation Tax	9,693

UK Corporation Tax has been charged at 21%.

In the opinion of the directors the company is a Close company within the meaning of Income & Corporation Taxes Act 1988.

6. TANGIBLE FIXED ASSETS

	Fixtures and fittings
	£
COST:	
Additions	2,029
At 31 July 1997	2,029
DEPRECIATION:	
Charge for period	507
At 31 July 1997	507
NET BOOK VALUE:	
At 31 July 1997	1,522

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Trade debtors	32,124
Amt.due-Timberlake Consultants	14,569
	46,693

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£
Bank loans and overdrafts (see note 9)	5,073
Trade creditors	12,525
V.A.T.	2,387
Taxation	9,693
Accrued expenses	3,810
	33,488

TIMBERLAKE CONSULTANTS LIMITED

**Notes to the Financial Statements
for the Period 16 July 1996 to 31 July 1997**

9. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	£
Amounts falling due within one year or on demand:	
Bank overdrafts	<u>5,073</u>

10. CALLED UP SHARE CAPITAL

Authorised:			
Number:	Class:	Nominal value:	£
10,000	Ordinary	£1	<u>10,000</u>

Allotted, issued and fully paid:			
Number:	Class:	Nominal value:	£
100	Ordinary	£1	<u>100</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	£
Profit for the financial period	34,706
Share capital	<u>100</u>
NET ADDITION TO SHAREHOLDERS' FUNDS	<u>34,806</u>
CLOSING SHAREHOLDERS' FUNDS	<u>34,806</u>
Equity interests	<u>34,806</u>