

**Report of the Directors and
Financial Statements
for the Year Ended 31 July 1998
for
TIMBERLAKE CONSULTANTS LIMITED**



TIMBERLAKE CONSULTANTS LIMITED

Contents of the Financial Statements for the Year Ended 31 July 1998

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Notes to the Financial Statements	7
Trading and Profit and Loss Account	11

TIMBERLAKE CONSULTANTS LIMITED

**Company Information
for the Year Ended 31 July 1998**

DIRECTORS: MRS A I TIMBERLAKE
R P C D G FIUZA
MISS 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 Year Ended 31 July 1998

The directors present their report with the financial statements of the company for the year ended 31 July 1998.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors during the year under review were:

MRS A I TIMBERLAKE
R P C D G FIUZA
MISS T TIMBERLAKE

The beneficial interests of the directors holding office on 31 July 1998 in the issued share capital of the company were as follows:

	31.7.98	1.8.97
Ordinary £1 shares		
MRS A I TIMBERLAKE	60	98
R P C D G FIUZA	20	1
MISS T TIMBERLAKE	20	1

YEAR 2000 COMPLIANCE

Many computer systems which express dates using only the last two digits of the year may malfunction due to the date change to the year 2000. The risk to the business relates not only to the company's computer system, but also to some degree on those of the company's customers and suppliers. The computer systems are being upgraded where necessary. The cost of this work will be met from existing capital and revenue budgets.

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 judgements 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

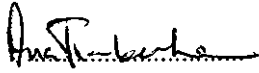
The auditors, Ashley Ross & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

TIMBERLAKE CONSULTANTS LIMITED

**Report of the Directors
for the Year Ended 31 July 1998**

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:



ANA TIMBERLAKE - SECRETARY

Dated: 25-5-1999

TIMBERLAKE CONSULTANTS LIMITED

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

We have audited the financial statements on pages five to ten 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 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 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 1998 and of its profit for the year 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: 25/5/1999

TIMBERLAKE CONSULTANTS LIMITED

Profit and Loss Account for the Year Ended 31 July 1998

Period 16.7.96 to 31.7.97			Year Ended 31.7.98
£		Notes	£
161,330	TURNOVER		310,927
97,906	Cost of sales		173,266
63,424	GROSS PROFIT		137,661
19,326	Administrative expenses		52,247
44,098			85,414
301	Other operating income		1,414
	OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	86,828
9,693	Tax on profit on ordinary activities	4	18,570
34,706	PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		68,258
-	Retained profit brought forward		34,706
<u>£34,706</u>	RETAINED PROFIT CARRIED FORWARD		<u>£102,964</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current year or previous period.

The notes form part of these financial statements

Balance Sheet

31 July 1998

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Am. T. ...
- DIRECTOR

T Timberlake
- DIRECTOR

Approved by the Board on 25-5-1999.

Page 6

TIMBERLAKE CONSULTANTS LIMITED

Notes to the Financial Statements for the Year Ended 31 July 1998

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
Computer equipment	- 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. STAFF COSTS

	Year Ended 31.7.98 £	Period 16.7.96 to 31.7.97 £
Wages and salaries	30,000	8,000
Social security costs	2,655	804
	<u>32,655</u>	<u>8,804</u>

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

	Year Ended 31.7.98	Period 16.7.96 to 31.7.97
Administration	<u>3</u>	<u>2</u>

TIMBERLAKE CONSULTANTS LIMITED

Notes to the Financial Statements for the Year Ended 31 July 1998

3. OPERATING PROFIT

The operating profit is stated after charging:

	Year Ended 31.7.98 £	Period 16.7.96 to 31.7.97 £
Depreciation - owned assets	791	507
Auditors' remuneration	<u>2,750</u>	<u>2,250</u>
Directors' emoluments and other benefits etc	<u>30,000</u>	<u>8,000</u>

4. TAXATION

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

	Year Ended 31.7.98 £	Period 16.7.96 to 31.7.97 £
UK corporation tax	18,170	9,693
Under provision	<u>400</u>	<u>-</u>
	<u>18,570</u>	<u>9,693</u>

UK corporation tax has been charged at 21% (1997 - 21%).

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

TIMBERLAKE CONSULTANTS LIMITED

**Notes to the Financial Statements
for the Year Ended 31 July 1998**

5. TANGIBLE FIXED ASSETS

	Totals	Fixtures and fittings	Computer equipment
	£	£	£
COST:			
At 1 August 1997	2,029	-	2,029
Additions	2,738	2,738	-
	<u>4,767</u>	<u>2,738</u>	<u>2,029</u>
At 31 July 1998	<u>4,767</u>	<u>2,738</u>	<u>2,029</u>
DEPRECIATION:			
At 1 August 1997	507	507	-
Charge for year	791	411	380
	<u>1,298</u>	<u>918</u>	<u>380</u>
At 31 July 1998	<u>1,298</u>	<u>918</u>	<u>380</u>
NET BOOK VALUE:			
At 31 July 1998	<u>3,469</u>	<u>1,820</u>	<u>1,649</u>
At 31 July 1997	<u>1,522</u>	<u>-</u>	<u>1,522</u>

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

	31.7.98	31.7.97
	£	£
Trade debtors	42,399	32,124
Amt.due-Timberlake Consultants	28,075	14,569
	<u>70,474</u>	<u>46,693</u>

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

	31.7.98	31.7.97
	£	£
Bank loans and overdrafts (see note 8)	2,649	5,073
Trade creditors	6,402	12,525
V.A.T.	1,725	2,387
Taxation	18,170	9,693
Accrued expenses	2,500	3,810
	<u>31,446</u>	<u>33,488</u>

TIMBERLAKE CONSULTANTS LIMITED

Notes to the Financial Statements for the Year Ended 31 July 1998

8. LOANS AND OVERDRAFTS

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

	31.7.98 £	31.7.97 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>2,649</u>	<u>5,073</u>

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.7.98 £	31.7.97 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.7.98 £	31.7.97 £
100	Ordinary	£1	<u>100</u>	<u>100</u>

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.7.98 £	31.7.97 £
Profit for the financial year	68,258	34,706
Share capital	-	100
NET ADDITION TO SHAREHOLDERS' FUNDS	<u>68,258</u>	<u>34,806</u>
Opening shareholders' funds	34,806	-
CLOSING SHAREHOLDERS' FUNDS	<u>103,064</u>	<u>34,806</u>
Equity interests	<u>103,064</u>	<u>34,806</u>