

**Report of the Directors and
Financial Statements
for the Period
1 August 2001 to 31 December 2002
for
TIMBERLAKE CONSULTANTS LIMITED**



TIMBERLAKE CONSULTANTS LIMITED

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for the Period 1 August 2001 to 31 December 2002**

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TIMBERLAKE CONSULTANTS LIMITED

**Company Information
for the Period 1 August 2001 to 31 December 2002**

DIRECTORS:

MRS A I TIMBERLAKE
MRS R ALMEREI
MISS T TIMBERLAKE
J M P C DE GUSMAO FIUZA
L P DE BARROS

SECRETARY:

A TIMBERLAKE

REGISTERED OFFICE:

Unit B3
Broomsleigh Business Park
Worsley Bridge Road
London
SE26 5BN

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 1 August 2001 to 31 December 2002

The directors present their report with the financial statements of the company for the period 1 August 2001 to 31 December 2002.

PRINCIPAL ACTIVITY

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

DIVIDENDS

An interim dividend of 300 per share was paid on 6 March 2002. The directors recommend that no final dividend be paid.

The total distribution of dividends for the period ended 31 December 2002 will be £33,900.

DIRECTORS

The directors during the period under review were:

MRS A I TIMBERLAKE

MRS R ALMEREI

MISS T TIMBERLAKE

J M P C DE GUSMAO FIUZA

L P DE BARROS

- appointed 1.10.01

The beneficial interests of the directors holding office on 31 December 2002 in the issued share capital of the company were as follows:

	31.12.02	1.8.01 or date of appointment if later
Ordinary £1 shares		
MRS A I TIMBERLAKE	50	50
MRS R ALMEREI	20	20
MISS T TIMBERLAKE	20	20
J M P C DE GUSMAO FIUZA	20	20
L P DE BARROS	3	-

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

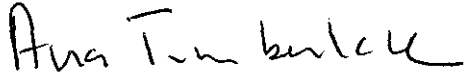
The auditors, Ashley Ross & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

TIMBERLAKE CONSULTANTS LIMITED

**Report of the Directors
for the Period 1 August 2001 to 31 December 2002**

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 black ink, appearing to read "Anna Timberlake". The signature is written in a cursive, flowing style.

A TIMBERLAKE - SECRETARY

Dated: 22 September 2003

TIMBERLAKE CONSULTANTS LIMITED

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

We have audited the financial statements of TIMBERLAKE CONSULTANTS LIMITED for the period ended 31 December 2002 on pages five to twelve. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 December 2002 and of its loss 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: 22 September 2003

TIMBERLAKE CONSULTANTS LIMITED

**Profit and Loss Account
for the Period 1 August 2001 to 31 December 2002**

Year Ended 31.7.01		Period 1.8.01 to 31.12.02
£	Notes	£
997,111	TURNOVER	1,553,467
633,278	Cost of sales	1,087,593
363,833	GROSS PROFIT	465,874
257,100	Administrative expenses	521,584
106,733	OPERATING (LOSS)/PROFIT	(55,710)
2,918	Interest receivable and similar income	8,419
109,651	(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(47,291)
22,046	Tax on (loss)/profit on ordinary activities	4,420
87,605	(LOSS)/PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION	(51,711)
-	Dividends	33,900
87,605		(85,611)
272,732	Retained profit brought forward	360,337
<u>£360,337</u>	RETAINED PROFIT CARRIED FORWARD	<u>£274,726</u>

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

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

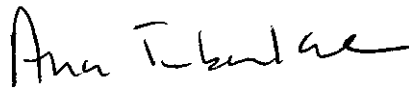
TIMBERLAKE CONSULTANTS LIMITED

**Balance Sheet
31 December 2002**

31.7.01			31.12.02	
£	£	Notes	£	£
		FIXED ASSETS:		
101,088		Tangible assets		119,080
-		Investments		28,870
<u>101,088</u>				<u>147,950</u>
		CURRENT ASSETS:		
	218,313	Debtors	214,343	
	223,841	Cash at bank	127,366	
	<u>442,154</u>		<u>341,709</u>	
	153,542	CREDITORS: Amounts falling due within one year	170,576	
<u>288,612</u>		NET CURRENT ASSETS:		<u>171,133</u>
		TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>319,083</u>
389,700				
		PROVISIONS FOR LIABILITIES AND CHARGES:		
1,980				6,400
<u>£387,720</u>				<u>£312,683</u>
		CAPITAL AND RESERVES:		
110		Called up share capital		113
27,273		Share premium		37,844
360,337		Profit and loss account		274,726
<u>£387,720</u>		SHAREHOLDERS' FUNDS:		<u>£312,683</u>

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:



- DIRECTOR



- DIRECTOR

Approved by the Board on 22 September 2003

The notes form part of these financial statements

TIMBERLAKE CONSULTANTS LIMITED

Notes to the Financial Statements for the Period 1 August 2001 to 31 December 2002

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.

Freehold property	- 2% on cost
Improvements to property	- 2% on cost
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance
Computer equipment	- 25% on reducing balance

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Pensions

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

2. STAFF COSTS

	Period 1.8.01 to 31.12.02 £	Year Ended 31.7.01 £
Wages and salaries	261,687	107,777
Social security costs	24,139	9,233
Other pension costs	46,656	22,074
	<u>332,482</u>	<u>139,084</u>

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

	Period 1.8.01 to 31.12.02	Year Ended 31.7.01
Administration	<u>11</u>	<u>10</u>

TIMBERLAKE CONSULTANTS LIMITED

Notes to the Financial Statements for the Period 1 August 2001 to 31 December 2002

3. OPERATING (LOSS)/PROFIT

The operating loss (2001 - operating profit) is stated after charging:

	Period 1.8.01 to 31.12.02 £	Year Ended 31.7.01 £
Depreciation - owned assets	18,476	12,087
Auditors' remuneration	10,150	-
	<u>28,626</u>	<u>12,087</u>
Directors' emoluments and other benefits etc	161,250	53,750
	<u>199,876</u>	<u>65,837</u>

4. TAXATION

Analysis of the tax charge

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

	Period 1.8.01 to 31.12.02 £	Year Ended 31.7.01 £
Current tax:		
UK corporation tax	-	21,346
Deferred tax:		
Deferred taxation	4,420	700
Tax on (loss)/profit on ordinary activities	<u>4,420</u>	<u>22,046</u>

UK corporation tax was charged at 20% in 2001.

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

5. DIVIDENDS

	Period 1.8.01 to 31.12.02 £	Year Ended 31.7.01 £
Equity shares:		
Interim - share type 1	33,900	-
	<u>33,900</u>	<u>-</u>

TIMBERLAKE CONSULTANTS LIMITED

**Notes to the Financial Statements
for the Period 1 August 2001 to 31 December 2002**

6. TANGIBLE FIXED ASSETS

	Totals	Freehold property	Improvements to property
	£	£	£
COST:			
At 1 August 2001	139,199	70,449	3,209
Additions	36,467	-	-
At 31 December 2002	175,666	70,449	3,209
DEPRECIATION:			
At 1 August 2001	38,110	4,226	192
Charge for period	18,476	1,409	64
At 31 December 2002	56,586	5,635	256
NET BOOK VALUE:			
At 31 December 2002	119,080	64,814	2,953
At 31 July 2001	101,088	66,222	3,017
	Fixtures and fittings	Motor vehicles	Computer equipment
	£	£	£
COST:			
At 1 August 2001	23,294	20,605	21,642
Additions	-	10,850	25,617
At 31 December 2002	23,294	31,455	47,259
DEPRECIATION:			
At 1 August 2001	13,723	11,311	8,658
Charge for period	2,393	4,960	9,650
At 31 December 2002	16,116	16,271	18,308
NET BOOK VALUE:			
At 31 December 2002	7,178	15,184	28,951
At 31 July 2001	9,571	9,294	12,984

7. FIXED ASSET INVESTMENTS

	£
COST:	
Additions	28,870
At 31 December 2002	28,870
NET BOOK VALUE:	
At 31 December 2002	28,870

TIMBERLAKE CONSULTANTS LIMITED

Notes to the Financial Statements for the Period 1 August 2001 to 31 December 2002

7. FIXED ASSET INVESTMENTS - continued

	31.12.02	31.7.01
	£	£
Unlisted investments	<u>28,870</u>	<u>-</u>

The company's investments at the balance sheet date in the share capital of unlisted companies include the following:

TIMBERLAKE CONSULTORES,LDA

Country of incorporation: PORTUGAL

Nature of business: sales of computer software

	%
Class of shares:	holding
Ordinary	100.00

The company has taken exemption from preparing group accounts for the accounting period as it qualifies as a small group -S.249 Companies Act 1985.

8. DEBTORS

	31.12.02	31.7.01
	£	£
Amounts falling due within one year:		
Trade debtors	123,049	206,945
Amt.due-Timberlake Consultants	-	11,368
Amount due from subsidiary co.	<u>1,302</u>	<u>-</u>
	<u>124,351</u>	<u>218,313</u>

Amounts falling due after more than one year:

Loans	45,344	-
Amount due from subsidiary co.	<u>44,648</u>	<u>-</u>
	<u>89,992</u>	<u>-</u>
Aggregate amounts	<u>214,343</u>	<u>218,313</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.02	31.7.01
	£	£
Trade creditors	127,796	98,213
Directors current accounts	<u>9,679</u>	<u>-</u>
V.A.T.	20,876	11,034
Taxation	-	21,346
Accrued expenses	<u>12,225</u>	<u>22,949</u>
	<u>170,576</u>	<u>153,542</u>

TIMBERLAKE CONSULTANTS LIMITED

Notes to the Financial Statements for the Period 1 August 2001 to 31 December 2002

10. PROVISIONS FOR LIABILITIES AND CHARGES

	31.12.02	31.7.01
	£	£
Deferred taxation	1,980	1,280
Deferred tax	4,420	700
	<u>6,400</u>	<u>1,980</u>

	Deferred tax £
Balance at 1 August 2001	1,980
Provision for the year	4,420
Balance at 31 December 2002	<u>6,400</u>

	31.12.02	31.7.01
	£	£
Deferred tax provision	4,420	700
Deffered Tax	<u>4,420</u>	<u>700</u>

11. CALLED UP SHARE CAPITAL

Authorised:			31.12.02	31.7.01
Number:	Class:	Nominal value:	£	£
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>

Allotted, issued and fully paid:			31.12.02	31.7.01
Number:	Class:	Nominal value:	£	£
113 (31.7.01 - 110)	Ordinary	£1	<u>113</u>	<u>110</u>

The following fully paid shares were allotted during the period at a premium as shown below:

3 Ordinary shares of £1 each at £3523.73 per share

12. SHARE PREMIUM

	31.12.02	31.7.01
	£	£
Cash share issue	<u>37,844</u>	<u>27,273</u>

TIMBERLAKE CONSULTANTS LIMITED

**Notes to the Financial Statements
for the Period 1 August 2001 to 31 December 2002**

13. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.02	31.7.01
	£	£
(Loss)/Profit for the financial period	(51,711)	87,605
Dividends	(33,900)	-
	<u>(85,611)</u>	<u>87,605</u>
Share capital	3	10
Cash share issue	10,571	27,273
	<u>10,574</u>	<u>27,283</u>
Net (reduction)/addition to shareholders' funds	(75,037)	114,888
Opening shareholders' funds	387,720	272,832
	<u>387,720</u>	<u>272,832</u>
Closing shareholders' funds	312,683	387,720
	<u><u>312,683</u></u>	<u><u>387,720</u></u>
 Equity interests	 <u><u>312,683</u></u>	 <u><u>387,720</u></u>