ACCESS COMPUTER CONSULTING PLC
(Formerly; Access Computer Recruitment Limited)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST DECEMBER 1999

Company No. 03239279 (England and Wales)

ACCESS COMPUTER CONSULTING PLC
(Formerly; Access Computer Recruitment Limited)

COMPANY INFORMATION

Directors	Mr Anthony Head Mrs Amanda Head
Secretary	Mrs Amanda Head
Company Number	03239279
Registered Office	Beech Lodge Ewhurst Park Tadley Hampshire RG26 5RG
Auditors	Maidment Penney Quick & Co Chartered Accountants 61 Chandos Place London WC2N 4HG
Bankers	Midland Bank plc 2 London Road Twickenham TW1 3RY

ACCESS COMPUTER CONSULTING PLC
(Formerly; Access Computer Recruitment Limited)

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ACCESS COMPUTER CONSULTING PLC
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DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1999

The directors present their report together with the audited financial statements for the year ended 31st December 1999.

Principal Activities and Review of Business

The company's principal activity was that of computer consultancy, staff recruitment and sub contracting agency. The company was re-registered as a Public Limited Company on 4 May 1999 under the name Access Computer Consulting PLC. The authorised share capital was increased from £1,000 to £100,000 ordinary £1 shares on 13 April 1999. £49,500 ordinary £1 shares were issued to shareholders at a ratio of 499 to every 1 share held. The share capital was increased by capitalisation of distributable reserves.

Results and Dividends

The results for the year are set out in the profit and loss account on page 5.

The directors consider the profit achieved on ordinary activities before taxation to be £411,013. The directors consider that the company will be profitable in the forseeable future, and that the state of the company's affairs are satisfactory.

Dividends

The directors do not recommend a dividend and the retained profit of £307,708 will be added to reserves.

Fixed Assets

Details of movements in fixed assets are set out in the notes to the accounts.

Directors

The directors who served during the year and their beneficial interests in the company's issued share capital were:

	Ordinary Shares	
	31st December 1999	*1st January 1999*
Mr Anthony Head	**49,999**	*99*
Mrs Amanda Head (appointed 14 April 1999)	**1**	*1*

Auditors

Maidment Penney Quick & Co have expressed their willingness to continue in office. They will be re-appointed at the next Annual General Meeting.

Political and Charitable Contributions

The company made no political or charitable contributions during the year above £200 in total.

Policy for payment of creditors

The companiy's policy is to pay creditors within 30 days of the invoice. For the financial year under review, the number of creditor days is 11, based upon the balances as at the year end.

Year 2000 Compliance

As is well known, many computer and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own year 2000 issues.

The company is well advanced in the phase of assessing the risks to our business resulting from the date change to the Year 2000. Once this phase is completed we can assess the likely impact on our activities and develop prioritised action plans to deal with the key risks.

ACCESS COMPUTER CONSULTING PLC
(Formerly; Access Computer Recruitment Limited)

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST DECEMBER 1999

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 the company's affairs and of the profit or loss for that year. In preparing these 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts;

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 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.

This report was approved by the board on 7 APRIL 2000, and signed on its behalf.

Mr Anthony Head, Director

AUDITORS' REPORT TO THE

SHAREHOLDERS OF ACCESS COMPUTER CONSULTING PLC
(Formerly; Access Computer Recruitment Limited)

We have audited the financial statements on pages 5 to 16 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective Responsibilities of Directors and Auditors

As described on page 3 the company's directors are responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those financial statements and 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 the 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 31st December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Maidment Penney Quick

Maidment Penney Quick & Co.
Chartered Accountants and Registered Auditors
61 Chandos Place
London
WC2N 4HG
Date: 7th April 2000

ACCESS COMPUTER CONSULTING PLC
(Formerly; Access Computer Recruitment Limited)

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST DECEMBER 1999

	Note	1999 £	*1998 £*
Turnover	2	**4,530,456**	*3,289,690*
Cost of Sales		**3,879,400**	*2,921,545*
Gross Profit		**651,056**	*368,145*
Administrative Expenses		**211,816**	*153,726*
Operating Profit	3	**439,240**	*214,419*
Interest Payable and Similar Charges	4	**(28,227)**	*(34,160)*
Profit on Ordinary Activities before Taxation		**411,013**	*180,259*
Tax on profit on ordinary activities	7	**103,305**	*47,244*
Profit for the Financial Year	17	**307,708**	*133,015*
Retained Profit Brought Forward		**119,640**	*36,525*
Retained Profit Carried Forward	16	**427,348**	*169,540*

All amounts relate to continuing activities.

There were no recognised gains or losses for 1999 or 1998 other than those included in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

ACCESS COMPUTER CONSULTING PLC
(Formerly; Access Computer Recruitment Limited)

BALANCE SHEET

AS AT 31ST DECEMBER 1999

	Note		1999		*1998*
		£	£	*£*	*£*
Fixed Assets					
Tangible assets	9		**76,690**		*4,958*
Current Assets					
Debtors	10	**823,553**		*825,997*	
Cash at bank and in hand		**203,803**		*7,229*	
		1,027,356		*833,226*	
Creditors: Amounts Falling Due Within One Year	11	**610,698**		*668,544*	
Net Current Assets			**416,658**		*164,682*
Total Assets Less Current Liabilities			**493,348**		*169,640*
Creditors: Amounts Falling Due After More Than One Year	12		**16,000**		-
			477,348		*169,640*
Capital and Reserves					
Share capital	16		**50,000**		*100*
Profit and loss account	17		**427,348**		*169,540*
Shareholders' Funds	18		**477,348**		*169,640*

These financial statements were approved by the board on 7 APRIL 2000 , and signed on its behalf.

Mr Anthony Head, Director

ACCESS COMPUTER CONSULTING PLC
(Formerly; Access Computer Recruitment Limited)

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 1999

	Note	1999 £	*1998 £*
Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities			
Operating profit		**439,240**	*214,419*
Depreciation		**19,414**	*5,072*
Decrease in debtors		**2,444**	*(649,201)*
Decrease in creditors		**(91,367)**	*362,654*
Net Cash Inflow from Operating Activities		**369,731**	*(67,056)*

CASH FLOW STATEMENT

	Note	1999 £	*1998 £*
Net Cash Inflow from Operating Activities		**369,731**	*(67,056)*
Returns on Investments and Servicing of Finance	14	**(28,227)**	*(34,160)*
Taxation		**(58,206)**	*243*
Capital Expenditure and Financial Investment	14	**(91,146)**	*(9,532)*
Cash Inflow Before Use of Liquid Resources and Financing		**192,152**	*(110,505)*
Financing	14	**76,567**	-
Increase in Cash		**268,719**	*(110,505)*

Reconciliation of Net Cash Flow to Movement in Net Debt

	Note	1999 £	*1998 £*
Increase in Cash in the Year		**268,719**	*(110,505)*
Cash inflow from increase in net debt and lease financing	15	**(26,667)**	-
Decrease in Net Debt	15	**242,052**	*(110,505)*
Net Debt at 1st January 1999		**(89,198)**	*21,307*
Net Funds/Debt at 31st December 1999	15	**152,854**	*(89,198)*

The notes on pages 8 to 16 form part of these financial statements.

1 Accounting Policies

Basis of Accounting

The Financial Statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Motor vehicles	25% Reducing Balance
Fixtures and fittings	25% Reducing Balance
Computer equipment	50% Straight Line

Foreign Currencies

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date. Where exchange differences result from the translation of foreign currency borrowings raised to acquire foreign assets they are taken to reserves and offset against the differences arising from the translation of those assets. All other exchange differences are dealt with through the profit and loss account.

Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

2 Turnover

Turnover and profit on ordinary activities before taxation are attributable to the principal activity of the company.

The geographical analysis of turnover is as follows:

	1999	*1998*
	£	*£*
Other	**56,006**	-
UK	**3,800,136**	*3,280,777*
Europe	**674,314**	*8,913*
	4,530,456	*3,289,690*

3 Operating Profit

The operating profit is arrived at after charging or crediting:	1999	*1998*
	£	*£*
Depreciation of owned assets	**11,762**	*5,072*
Depreciation of assets held under finance leases and hire purchase contracts	**7,652**	-
Directors' remuneration	**95,818**	*55,521*
Auditors' remuneration - non audit work	**5,375**	*4,632*
Auditors' remuneration	**3,143**	*2,500*

4 Interest Payable and Similar Charges

	1999	*1998*
	£	*£*
Bank overdrafts and loans repayable within five years, not by instalments	1,143	*852*
	1,143	*852*
Finance leases and hire purchase contracts	837	-
Other interest payable	26,247	*33,308*
	28,227	*34,160*

5 Directors and Employees

Staff costs, including directors' remuneration, were as follows:

	1999	*1998*
	£	*£*
Wages and salaries	75,303	*83,003*
Social security costs	8,768	*5,082*
Other pension costs	14,736	-
	98,807	*88,085*

The average weekly number of employees, including directors, during the year was as follows:

	1999	*1998*
	Number	*Number*
Selling and Distribution	1	-
Management	2	*2*
	3	*2*

Directors' emoluments

	1999	*1998*
	£	*£*
Emoluments	81,082	*55,521*
Directors' pension contributions under defined contribution schemes	14,736	-

6 Pension Scheme

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £14,736 (1998 £-).

7 Taxation

	1999	*1998*
	£	*£*
Based on the profit for the year		
UK corporation tax at 24% (1998; 21%)	**103,305**	*47,244*

8 Operating Lease Commitments

At 31 December 1999 the company had annual commitments under non-cancellable operating leases as set out below:

	Other	
	1999	*1998*
Operating leases which expire:	£	*£*
Within one year	**18,000**	-
	18,000	-

9 Tangible Fixed Assets

	Motor Vehicles	Fixtures and Fittings	Computer Equipment	Total
Cost	**£**	**£**	**£**	**£**
At 1st January 1999	-	767	10,258	11,025
Additions	74,206	586	16,354	91,146
At 31st December 1999	**74,206**	**1,353**	**26,612**	**102,171**
Depreciation				
At 1st January 1999	-	191	5,876	6,067
Charge for the year	10,377	290	8,747	19,414
At 31st December 1999	**10,377**	**481**	**14,623**	**25,481**
Net Book Value				
At 31st December 1999	**63,829**	**872**	**11,989**	**76,690**
At 31st December 1998	*-*	*576*	*4,382*	*4,958*

Assets held under finance leases originally cost £40,812 (1998: £Nil) and have a net book value of £33,160 (1998: £Nil).

10 Debtors

	1999	*1998*
	£	*£*
Trade debtors	**798,265**	*430,070*
Other debtors	**22,116**	-
Prepayments and accrued income	**3,172**	*395,927*
	823,553	*825,997*

11	**Creditors: Amounts Falling Due Within One Year**	**1999**	*1998*
		£	*£*
	Bank loans and overdrafts	**74,182**	*96,427*
	Obligations under hire purchase and finance lease contracts (Note 13)	**10,667**	-
	Trade creditors	**111,342**	*128,334*
	Corporation tax	**103,446**	*58,347*
	Other taxes and social security	**108,545**	*125,943*
	Other creditors	**83**	*876*
	Directors' loan accounts	**256**	*143*
	Accruals and deferred income	**202,177**	*258,474*
		610,698	*668,544*

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

12	**Creditors: Amounts Falling Due After One Year**	**1999**	*1998*
		£	*£*
	Obligations under hire purchase and finance lease contracts (Note 13)	**16,000**	-
		16,000	-

13	**Obligations Under Hire Purchase and Finance Leases**	**1999**	*1998*
		£	*£*
	Obligations under finance leases and hire purchase contracts are analysed:		
	Current obligations	**10,667**	-
	Obligations due between one and five years	**16,000**	-
		26,667	-

14 Gross Cash Flows

	1999 £	*1998 £*
Returns on Investments and Servicing of Finance		
Interest paid	**(27,390)**	*(34,160)*
Interest element of finance lease rentals payment	**(837)**	-
Net cash outflow for returns on investments and servicing of finance	**(28,227)**	*(34,160)*
Capital Expenditure and Financial Investment		
Payments to acquire tangible fixed assets	**(91,146)**	*(9,532)*
Net cash outflow from investing activities	**(91,146)**	*(9,532)*
Financing		
Issue of ordinary share capital	**49,900**	-
Capital element of finance lease rentals payments	**26,667**	-
Net cash inflow for financing	**76,567**	-

15 Analysis of Changes in Net Debt

	1998 £	Cash flows £	1999 £
Cash at bank and in hand	7,229	196,574	203,803
Overdrafts	(96,427)	22,245	(74,182)
	(89,198)	218,819	129,621
Finance leases	-	(26,667)	(26,667)
	(89,198)	**192,152**	**102,954**

		1999	*1998*
16	**Share Capital**	**£**	*£*
	Authorised		
	Equity Shares		
	100,000 Ordinary shares of £1 each	**100,000**	*1,000*
	Allotted		
	Equity Shares		
	50,000 Allotted, called up and fully paid ordinary shares of £1 each	**50,000**	*100*

49,500 ordinary £1 equity shares were issued during the period at a ratio of 499 to every 1 share held.

17 Reserves

	Profit and Loss Account
	£
At 1st January 1998	36,525
Profit for the year	133,015
At 1st January 1999	169,540
Profit for the year	307,708
Other Transfers	(49,900)
At 31st December 1999	**427,348**

		1999	*1998*
18	**Reconciliation of Shareholders' Funds**	**£**	*£*
	Profit for the financial year	**307,708**	*133,015*
	Transfers to reserves	**(49,900)**	-
	Issue of share capital	**49,900**	-
	Increase in the shareholders' funds	**307,708**	*133,015*
	Closing shareholders' funds	**477,348**	*169,640*

19 Transactions with Directors

During the year Anthony Head, a director of the company sold his car to the company for £16,000.

20 Post Balance Sheet Events

On 27 March 2000, the company acquired a freehold property for £630,000. The purchase of the property was not contracted for during the financial year under review.