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THE ARNOLD CONSULTANCY LTD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001

Director	P Janes
Secretary	J Harriss
Registered Office	Littlehaven House 24 - 26 Littlehaven Lane Roffey Horsham West Sussex RH12 4HT
Registered Number	3646521
Accountants	Horsham Accountancy Services Limited Littlehaven House 24 - 26 Littlehaven Lane Roffey Horsham West Sussex RH12 4HT

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REPORT OF THE DIRECTOR

The Director presents his report and financial statements of the Company for the year ended 31 March 2001.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the year under review was that of information technology consultancy services.

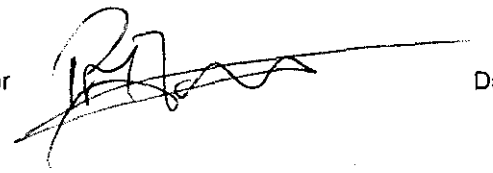
DIRECTOR

The Director who served during the period and his interest in the shares of the Company at the end of the year were as follows:

	Ordinary Shares of £1 Each	
	2001	2000
P Janes	1	1

The above report has been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies.

By order of the board

P Janes - Director  Date: 19/12/2001

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the Director to prepare accounts for each financial year which give a true view of the state of affairs of the company and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

* select suitable accounting policies and apply them consistently;
* make judgements and estimates that are reasonable and prudent;
* prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business;
* state whether the Financial Reporting Standard for Smaller Entities has been followed, subject to any departures disclosed and explained in the accounts.

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 accounts comply with the Companies Act 1985. In addition, the directors are responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2001

	Notes	2001 £	1/01/1999 - 31/3/2000 £
TURNOVER	2	90,902	112,015
Administrative Expenses		53,070	18,808
OPERATING PROFIT	3	37,832	93,207
Interest Receivable		1,880	1044
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		39,712	94,251
Taxation	4	7,895	19,078
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		31,817	75,173
Dividends	5	40,000	50,500
		(8,183)	24,673
Retained Profit Brought Forward		24,673	0
RETAINED PROFIT CARRIED FORWARD		16,490	24,673

The notes on pages 4 to 6 form an integral part of these financial statements.

BALANCE SHEET AS AT 31 MARCH 2001

	Notes	2001 £	2001 £	2000 £	2000 £
FIXED ASSETS	6		1,530		2,404
CURRENT ASSETS					
Debtors	7	4,922		0	
Cash at Bank		22,905		42,982	
		27,827		42,982	
CREDITORS: Amounts falling due within one year	8	12,865		20,711	
NET CURRENT ASSETS			14,962		22,271
TOTAL ASSETS LESS CURRENT LIABILITIES			16,492		24,675
CAPITAL AND RESERVES					
Share Capital	9		2		2
Profit and Loss Account			16,490		24,673
SHAREHOLDERS' FUNDS	10		16,492		24,675

For the financial year ended 31 March 2001 the company was entitled to exemption from audit under section 249 A (1) Companies Act 1985; and no notice has been deposited under section 249 B (2).

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the year end of its profit (or loss) for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985, relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These accounts were approved by the board of directors on 19/12/01 and were signed on its behalf by:

P Janes - Director

The notes on pages 4 to 6 form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2001

1) ACCOUNTING POLICIES

The following significant accounting policies have been consistently applied in dealing with the items which are considered material in relation to the company's accounts.

(a) Accounting Basis
The financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities and under the historical cost accounting rules.

(b) Turnover
Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

(c) Depreciation
Depreciation on fixed assets is provided at rates estimated to write off the cost less estimated residual value, of each asset over it's estimated useful life as follows:

Computer & Office Equipment	25% Straight line

2) TURNOVER

Turnover is attributable to the one principal activity of the company.

3) OPERATING PROFIT

	2001 £	1/01/1999 - 31/3/2000 £
The operating profit is stated after charging:		
Director's Remuneration	6,000	6,000
Depreciation:		
Owned Tangible Fixed Assets	874	1,093

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

	2001 £	1/01/1999 - 31/3/2000 £
4) TAXATION		
Corporation Tax on U.K. profits	7,895	19,078
5) DIVIDENDS		
Ordinary dividend on equity shares	40,000	50,500

6) TANGIBLE ASSETS

	Computer & Office Equipment £
COST	
At beginning of year	3,497
Additions	0
Cost at 31 March 2001	3,497
DEPRECIATION	
At beginning of year	1,093
Charge for year	874
Depreciation at 31 March 2001	1,967
Net Book Value	
At 31 March 2001	1,530
At 31 March 2000	2,404

7) DEBTORS	2001 £	2000 £
VAT Refundable	4,922	0
	4,922	0

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2001

8) CREDITORS	2001 £	2000 £
Directors Loan Account	4,492	373
Accruals and Other Creditors	477	4,859
Corporation Tax	7,896	15,478
	12,865	20,710

9) SHARE CAPITAL		
Authorised:		
100 Ordinary Shares of £1 Each	100	100
Issued, Allotted and Fully Paid:		
2 Ordinary Shares of £1 Each	2	2

10) RECONCILIATION OF SHAREHOLDERS' FUNDS		
Profit for the year	31,817	75,173
Dividends	(40,000)	(50,500)
Issue ordinary shares	0	2
NET ADDITION TO SHAREHOLDERS' FUNDS	(8,183)	24,675
Opening Shareholders' Funds	24,675	0
CLOSING SHAREHOLDERS' FUNDS	16,492	24,675