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THE ARNOLD CONSULTANCY LTD
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002

Directors	P Janes J Janes Appointed 1 January 2002
Secretary	J Janes
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 DIRECTORS

The Directors present their report and financial statements of the Company for the year ended 31 March 2002.

PRINCIPAL ACTIVITIES

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

DIRECTORS

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

	Ordinary Shares of £1 Each	
	<u>2002</u>	<u>2001</u>
P Janes	1	1
J 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: 23/8/02

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 2002**

	Notes	2002 £	2001 £
TURNOVER	2	63,762	90,902
Administrative Expenses		26,992	53,070
OPERATING PROFIT	3	36,770	37,832
Interest Receivable		879	1880
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		37,649	39,712
Taxation	4	6,626	7,895
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		31,023	31,817
Dividends	5	20,000	40,000
		11,023	(8,183)
Retained Profit Brought Forward		16,490	24,673
RETAINED PROFIT CARRIED FORWARD		27,513	16,490

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

BALANCE SHEET AS AT 31 MARCH 2002

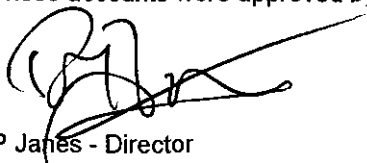
	Notes	2002		2001	
		£	£	£	£
FIXED ASSETS	6		4,384		1,530
CURRENT ASSETS					
Debtors	7		0		4,922
Cash at Bank		35,283		22,905	
		<u>35,283</u>		<u>27,827</u>	
CREDITORS: Amounts falling due within one year	8		<u>12,152</u>		<u>12,865</u>
NET CURRENT ASSETS			23,131		14,962
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>27,515</u>		<u>16,492</u>
CAPITAL AND RESERVES					
Share Capital	9		2		2
Profit and Loss Account			27,513		16,490
SHAREHOLDERS' FUNDS	10		<u>27,515</u>		<u>16,492</u>

For the financial year ended 31 March 2002 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 23/8/02 and were signed on its behalf by:



P Jones - 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 2002**

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 its 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

	2002 £	2001 £
The operating profit is stated after charging:		
Director's Remuneration	11,000	6,000
Depreciation:		
Owned Tangible Fixed Assets	2,117	874

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2002

	2002 £	2001 £
4) TAXATION		
Corporation Tax on U.K. profits	6,626	7,895
5) DIVIDENDS		
Ordinary dividend on equity shares	20,000	40,000
6) TANGIBLE ASSETS		
		<u>Computer & Office Equipment</u> £
COST		
At beginning of year		3,497
Additions		4,971
Cost at 31 March 2002		8,468
DEPRECIATION		
At beginning of year		1,967
Charge for year		2,117
Depreciation at 31 March 2002		4,084
Net Book Value		
At 31 March 2002		4,384
At 31 March 2001		1,530
7) DEBTORS		
	2002 £	2001 £
VAT Refundable	0	4,922
	0	4,922

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 MARCH 2002**

8) CREDITORS

	2002 £	2001 £
Directors Loan Account	1,153	4,492
Accruals and Other Creditors	4,377	477
Corporation Tax	6,622	7,896
	<u>12,152</u>	<u>12,865</u>

9) SHARE CAPITAL

Authorised:		
100 Ordinary Shares of £1 Each	<u>100</u>	<u>100</u>
Issued, Allotted and Fully Paid:		
2 Ordinary Shares of £1 Each	<u>2</u>	<u>2</u>

10) RECONCILIATION OF SHAREHOLDERS' FUNDS

Profit for the year	31,023	31,817
Dividends	(20,000)	(40,000)
NET ADDITION TO SHAREHOLDERS' FUNDS	<u>11,023</u>	<u>(8,183)</u>
Opening Shareholders' Funds	16,492	24,675
CLOSING SHAREHOLDERS' FUNDS	<u>27,515</u>	<u>16,492</u>