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THE ARNOLD CONSULTANCY LTD

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003

Directors	P Janes J Janes
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 2003.

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	
	2003	2002
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: 22/11/03

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 2003

	Notes	2003 £	2002 £
TURNOVER	2	107,600	63,762
Administrative Expenses		33,940	26,992
OPERATING PROFIT	3	73,660	36,770
Interest Receivable		1,656	879
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		75,316	37,649
Taxation	4	14,658	6,626
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		60,658	31,023
Dividends	5	50,000	20,000
		10,658	11,023
Retained Profit Brought Forward		27,513	16,490
RETAINED PROFIT CARRIED FORWARD		38,171	27,513

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

BALANCE SHEET AS AT 31 MARCH 2003

	Notes	2003 £	2003 £	2002 £	2002 £
FIXED ASSETS	6		4,070		4,384
CURRENT ASSETS					
Cash at Bank		87,478		35,283	
		87,478		35,283	
CREDITORS: Amounts falling due within one year	7	53,375		12,152	
NET CURRENT ASSETS			34,103		23,131
TOTAL ASSETS LESS CURRENT LIABILITIES			38,173		27,515
CAPITAL AND RESERVES					
Share Capital	8		2		2
Profit and Loss Account			38,171		27,513
SHAREHOLDERS' FUNDS	9		38,173		27,515

For the financial year ended 31 March 2003 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 June 2002).

These accounts were approved by the board of directors on 22/11/03 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 2003

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

	2003 £	2002 £
The operating profit is stated after charging:		
Director's Remuneration	11,000	11,000
Depreciation:		
Owned Tangible Fixed Assets	2,718	2,117

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

	2003 £	2002 £
4) TAXATION		
Corporation Tax on U.K. profits	14,658	6,626
5) DIVIDENDS		
Ordinary dividend on equity shares	50,000	20,000

6) TANGIBLE ASSETS

	Computer & Office Equipment £
COST	
At beginning of year	8,468
Additions	2,404
Cost at 31 March 2003	10,872
DEPRECIATION	
At beginning of year	4,084
Charge for year	2,718
Depreciation at 31 March 2003	6,802
Net Book Value	
At 31 March 2003	4,070
At 31 March 2002	4,384

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

7) CREDITORS	2003 £	2002 £
Directors Loan Account	34,108	1,153
Accruals and Other Creditors	4,613	4,377
Corporation Tax	14,654	6,622
	53,375	12,152

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

9) RECONCILIATION OF SHAREHOLDERS' FUNDS		
Profit for the year	60,658	31,023
Dividends	-50,000	-20,000
NET ADDITION TO SHAREHOLDERS' FUNDS	10,658	11,023
Opening Shareholders' Funds	27,515	16,492
CLOSING SHAREHOLDERS' FUNDS	38,173	27,515