

MAGNACOM LIMITED
FINANCIAL STATEMENTS

31 JULY 1998

Registered number: 173621

J.F. MILLER & COMPANY
CHARTERED ACCOUNTANTS



MAGNACOM LIMITED
FINANCIAL STATEMENTS
for the Year ended 31 July 1998

CONTENTS

	Page
Company information	1
Directors' report	2
Accountants' report	3
Profit and loss account	4
Balance sheet	5
Notes	6

The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
---	------------

MAGNACOM LIMITED

COMPANY INFORMATION

31 July 1998

DIRECTORS	Scott McArdle
SECRETARY	Mary Faulds McArdle
REGISTERED OFFICE	Crossford Mill Beith Road Johnstone PA10 2NS.
ACCOUNTANTS	J.F. Miller & Company Chartered Accountants 8b Park Circus Place Glasgow G3 6AW.

MAGNACOM LIMITED

DIRECTORS' REPORT

31 July 1998

The directors present their report and the financial statements for the Year ended 31 July 1998.

Principal activity

The principal activity of the company was the supply of computer hardware and software and associated peripherals.

Directors

The directors of the company during the Year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

31 July 1998
Ordinary
shares

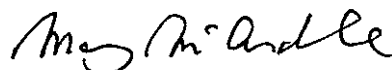
Scott McArdle

1,000

Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board



Mary Faulds McArdle
Secretary
Crossford Mill
Beith Road
Johnstone
PA10 2NS.
5 November 1998

MAGNACOM LIMITED

ACCOUNTANTS' REPORT

Accountants' report to the directors
on the unaudited financial statements of

As described on the balance sheet you are responsible for the preparation of the financial statements for the Year ended 31 July 1998, set out on pages 4 to 9, and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

A handwritten signature in dark ink, appearing to read 'J F Miller & Co'.

J.F. Miller & Company
Chartered Accountants
5 November 1998

MAGNACOM LIMITED

PROFIT AND LOSS ACCOUNT

for the Year ended 31 July 1998

	Note	1998 £
Turnover	2	158,000
Cost of sales		(81,378)
Gross profit		76,622
Net operating expenses		
Distribution costs		(6,118)
Administrative expenses		(34,834)
Operating profit	3	35,670
Investment income	4	109
Interest payable	5	(748)
Profit on ordinary activities before taxation		35,031
Taxation	6	(7,246)
Profit on ordinary activities after taxation		27,785
retained for the Year	13	

Movements in reserves are shown in note 13.

None of the company's activities were acquired or discontinued during the above financial year.

There are no recognised gains and losses in 1998 other than the profit for the Year.

MAGNACOM LIMITED

BALANCE SHEET

at 31 July 1998

	Note	1998	
		£	£
Fixed assets			
Tangible assets	7		4,737
Current assets			
Stocks	8	2,833	
Debtors	9	29,274	
Cash at bank and in hand		31,621	
		<u>63,728</u>	
Creditors: amounts falling due within one year	10	(39,680)	
		<u>24,048</u>	
Net current assets			<u>28,785</u>
Total assets less current liabilities			<u>28,785</u>
Capital and reserves			
Called up share capital	12	1,000	
Profit and loss account	13	27,785	
		<u>28,785</u>	
Total shareholders' funds	11		<u>28,785</u>

continued

MAGNACOM LIMITED

BALANCE SHEET

(continued)

at 31 July 1998

The directors consider that for the Year ended 31 July 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial Year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial Year and 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 Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 4 to 9 were approved by the board of directors on 5 November 1998 and signed on its behalf by:



Scott McArdle
Director

MAGNACOM LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	33.33% Straight line
Fixtures and fittings	20% Reducing balance

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis.

Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

Turnover represents the amount derived from the provision of goods and services which fall within the company's activities, entirely within the United Kingdom, stated net of value added tax.

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1997 nil)

3 Operating profit

1998

£

Operating profit is stated after charging

Depreciation - owned assets

2,112

MAGNACOM LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1998

4 Investment income

1998
£

Interest receivable

109

5 Interest payable

1998
£

Interest payable

748

6 Taxation

1998
£

Corporation tax on profit on ordinary activities
at 21% (1997 21%)

7,246

7 Tangible fixed assets

Plant
and
Machinery etc
£

Cost

Additions

6,849

31 July 1998

6,849

Depreciation

Charge for Year

2,112

31 July 1998

2,112

Net book amount

31 July 1998

4,737

8 Stocks

1998
£

Stocks

2,833

MAGNACOM LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1998

9 Debtors		
		1998
		£
Amounts falling due within one year		
Trade debtors		28,359
Other debtors		915
		<u>29,274</u>
10 Creditors: amounts falling due within one year		
		1998
		£
Trade creditors		5,859
Corporation tax		7,246
Other taxation and social security		6,658
Other creditors		19,917
		<u>39,680</u>
11 Reconciliation of movements in shareholders' funds		
		1998
		£
Profit for the financial Year		27,785
New share capital subscribed		1,000
Net addition to shareholders' funds		28,785
Opening shareholders' funds		-
Closing shareholders' funds		<u>28,785</u>
12 Called up share capital		
	1998	
	Number of	
	shares	£
Authorised		
Authorised share capital - ords. number	1,000	1,000
Allotted called up and fully paid		
Authorised share capital - ords. number	1,000	1,000

MAGNACOM LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1998

13 Profit and loss account

	1998 £
Retained profit for the Year	27,785
31 July 1998	<u>27,785</u>