MAGNACOM LIMITED

FINANCIAL STATEMENTS

31 JULY 1999

Registered number: 173621

J.F. MILLER & COMPANY

CHARTERED ACCOUNTANTS



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MAGNACOM LIMITED

FINANCIAL STATEMENTS

for the Year ended 31 July 1999

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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 1999

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 1999

The directors present their report and the financial statements for the Year ended 31 July 1999.

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 1999 Ordinary shares	1 August 1998 Ordinary shares
Scott McArdle	1,000	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
4 February 2000

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 1999, set out on pages 4 to 10, 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.

J.F. Miller & Company
Chartered Accountants
4 February 2000

MAGNACOM LIMITED

PROFIT AND LOSS ACCOUNT

for the Year ended 31 July 1999

	Note	1999 £	1998 £
Turnover	2	299,295	158,001
Cost of sales		(178,272)	(81,378)
Gross profit		121,023	76,623
Net operating expenses			
Distribution costs		(3,169)	(3,062)
Administrative expenses		(76,125)	(37,891)
Operating profit	3	41,729	35,670
Investment income	5	572	109
Interest payable	6	(748)	(748)
Profit on ordinary activities before taxation		41,553	35,031
Taxation	7	(8,755)	(7,246)
Profit on ordinary activities after taxation		32,798	27,785
retained for the Year	14		

Movements in reserves are shown in note 14.

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

There were no recognised gains and losses in 1999 or 1998 other than the profit for the Year.

MAGNACOM LIMITED

BALANCE SHEET

at 31 July 1999

	Note	1999 £	1999 £	1998 £	1998 £
Fixed assets					
Tangible assets	8		3,565		4,737
Current assets					
Stocks	9	2,020		2,833	
Debtors	10	56,778		29,274	
Cash at bank and in hand		44,060		31,621	
		102,858		63,728	
Creditors: amounts falling due within one year	11	(44,840)		(39,680)	
Net current assets			58,018		24,048
Total assets less current liabilities			61,583		28,785
Capital and reserves					
Called up share capital	13		1,000		1,000
Profit and loss account	14		60,583		27,785
Total shareholders' funds	12		61,583		28,785

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MAGNACOM LIMITED

BALANCE SHEET
(continued)

at 31 July 1999

The directors consider that for the Year ended 31 July 1999 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 10 were approved by the board of directors on 4 February 2000 and signed on its behalf by:



Scott McArdle
Director

MAGNACOM LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1999

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
It is the opinion of the directors that no deferred taxation provision be made in the financial statements as it is unlikely that the assets of the company will be sold in the foreseeable future.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1998 nil).

MAGNACOM LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1999

3 Operating profit

	1999 £	1998 £
Operating profit is stated after charging:		
Depreciation of tangible fixed assets (note 8):		
Owned assets	2,282	2,112

4 Directors

	1999 £	1998 £
Directors' emoluments	29,000	13,500

5 Investment income

	1999 £	1998 £
Interest receivable	572	109

6 Interest payable

	1999 £	1998 £
Interest payable	748	748
	748	748

MAGNACOM LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1999

7 Taxation

	1999 £	1998 £
Corporation tax on profit on ordinary activities at 20% (1998 21%)	8,755	7,246

8 *Tangible fixed assets*

	Plant and Machinery etc £
Cost	
1 August 1998	6,849
Additions	1,110
31 July 1999	7,959
Depreciation	
1 August 1998	2,112
Charge for the Year	2,282
31 July 1999	4,394
Net book amount	
31 July 1999	3,565
1 August 1998	4,737

9 Stocks

	1999 £	1998 £
Stocks	2,020	2,833

MAGNACOM LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1999

10 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	56,778	28,359
Other debtors	-	915
	56,778	29,274

11 *Creditors: amounts falling due within one year*

	1999 £	1998 £
Trade creditors	5,571	5,859
Corporation tax	8,755	7,246
Other taxation and social security	5,921	6,658
Other creditors	24,593	19,917
	44,840	39,680

12 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial Year	32,798	27,785
New share capital subscribed	-	1,000
Net addition to shareholders' funds	32,798	28,785
Opening shareholders' funds	28,785	-
Closing shareholders' funds	61,583	28,785

MAGNACOM LIMITED

NOTES ON FINANCIAL STATEMENTS

31 July 1999

13 Called up share capital

	1999 Number of shares	1999 £	1998 Number of shares	1998 £
Authorised				
Authorised share capital	1,000	1,000	1,000	1,000
Allotted, called up and fully paid				
Authorised share capital	1,000	1,000	1,000	1,000

14 Profit and loss account

	1999 £
1 August 1998	27,785
Retained profit for the Year	32,798
31 July 1999	60,583