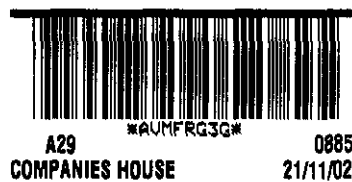


Company Registration No. 3612840 (England and Wales)

SOFT SOLUTIONS INTERNATIONAL LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2002



SOFT SOLUTIONS INTERNATIONAL LIMITED

COMPANY INFORMATION

Directors

P D Howes
T A Howes
R P Howes

Secretary

Mrs O S Howes

Company number

3612840

Registered office

Boundary Way, Lufton Trading Estate
Yeovil
Somerset
BA22 8HZ

Accountants

Albert Goodman
Hendford Manor
Yeovil
Somerset
BA20 1UN

Business address

Boundary Way, Lufton Trading Estate
Yeovil
Somerset
BA22 8HZ

Bankers

HSBC Bank Plc
1 Middle Street
Yeovil
Somerset
BA20 1LR

SOFT SOLUTIONS INTERNATIONAL LIMITED

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SOFT SOLUTIONS INTERNATIONAL LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JULY 2002

The directors present their report and financial statements for the year ended 31 July 2002.

Principal activities

The principal activity of the company during the year were software design/validation, network installation and support, and internet services.

Review of the business

The directors are pleased that following the company's redirection into Internet sales and Software early in 2000 and the subsequent addition of Network Installation and Support, the business has recovered the majority of the initial start up costs and is now producing profit. This will continue during the current year and enable expansion according to the business plan.

Directors

The following directors have held office since 1 August 2001:

P D Howes
T A Howes
R P Howes

Directors' interests

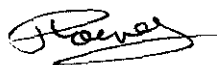
The directors' interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	31 July 2002	1 August 2001
P D Howes	6	6
T A Howes	2	2
R P Howes	2	2

Small company

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

On behalf of the board



P D Howes

Director

15 November 2002

SOFT SOLUTIONS INTERNATIONAL LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 2002**

	Notes	2002 £	2001 £
Turnover		109,636	59,210
Cost of sales		(5,396)	(3,958)
Gross profit		104,240	55,252
Administrative expenses		(93,098)	(70,747)
Operating profit/(loss)	2	11,142	(15,495)
Interest payable and similar charges		(382)	(323)
Profit/(loss) on ordinary activities before taxation		10,760	(15,818)
Tax on profit/(loss) on ordinary activities	3	(190)	2,839
Profit/(loss) on ordinary activities after taxation	10	10,570	(12,979)

SOFT SOLUTIONS INTERNATIONAL LIMITED

BALANCE SHEET AS AT 31 JULY 2002

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	4		12,518		13,106
Current assets					
Stocks		11		-	
Debtors	5	10,222		9,688	
Cash at bank and in hand		69		98	
		<u>10,302</u>		<u>9,786</u>	
Creditors: amounts falling due within one year	6	<u>(31,904)</u>		<u>(42,736)</u>	
Net current liabilities			<u>(21,602)</u>		<u>(32,950)</u>
Total assets less current liabilities			<u>(9,084)</u>		<u>(19,844)</u>
Provisions for liabilities and charges	7		<u>(190)</u>		<u>-</u>
			<u>(9,274)</u>		<u>(19,844)</u>
Capital and reserves					
Called up share capital	9		10		10
Profit and loss account	10		<u>(9,284)</u>		<u>(19,854)</u>
Shareholders' funds			<u>(9,274)</u>		<u>(19,844)</u>

SOFT SOLUTIONS INTERNATIONAL LIMITED

**BALANCE SHEET (CONTINUED)
AS AT 31 JULY 2002**

In preparing these financial statements:

- (a) The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(1) of the Companies Act 1985;
- (b) No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- (c) The directors acknowledge their responsibilities for:
 - (i) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
 - (ii) preparing accounts 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 this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the Board on 15 November 2002



P D Howes
Director

SOFT SOLUTIONS INTERNATIONAL LIMITED

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

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

1.2 Going concern

The company is reliant upon the support of its directors in order to meet its liabilities as and when they fall due. The directors have indicated that they will continue to provide such support as is necessary to enable the company to continue to trade and, on this basis, they consider it is appropriate to prepare these financial statements on a going concern basis.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment 25% reducing balance basis

2	Operating profit/(loss)	2002	2001
		£	£
	Operating profit/(loss) is stated after charging:		
	Depreciation of tangible assets	4,378	4,369
	Directors' emoluments	20,567	10,981
		<u> </u>	<u> </u>
3	Taxation	2002	2001
		£	£
	Domestic current year tax		
	U.K. corporation tax	-	1
	Adjustment for prior years	-	(2,840)
		<u> </u>	<u> </u>
	Current tax charge	-	(2,839)
		<u> </u>	<u> </u>
	Deferred tax		
	Deferred tax charge/credit current year	2,082	-
	Deferred tax adjust re previous year	(1,892)	-
		<u> </u>	<u> </u>
		190	-
		<u> </u>	<u> </u>
		190	(2,839)
		<u> </u>	<u> </u>

The company has estimated losses of £ 6,000 (2001 : £ 17,000) available for carry forward against future trading profits.

SOFT SOLUTIONS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2002

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 August 2001	23,417
Additions	3,790
	<hr/>
At 31 July 2002	27,207
	<hr/>
Depreciation	
At 1 August 2001	10,311
Charge for the year	4,378
	<hr/>
At 31 July 2002	14,689
	<hr/>
Net book value	
At 31 July 2002	12,518
	<hr/>
At 31 July 2001	13,106
	<hr/>

5 Debtors

	2002 £	2001 £
Trade debtors	9,597	5,823
Other debtors	625	3,865
	<hr/>	<hr/>
	10,222	9,688
	<hr/>	<hr/>

6 Creditors: amounts falling due within one year

	2002 £	2001 £
Bank overdraft	7,378	5,192
Trade creditors	2,443	3,542
Taxation and social security	9,004	3,842
Other creditors	13,079	30,160
	<hr/>	<hr/>
	31,904	42,736
	<hr/>	<hr/>

SOFT SOLUTIONS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2002

7 Provisions for liabilities and charges

	Deferred taxation £
Profit and loss account	190
Balance at 31 July 2002	<u>190</u>

Deferred taxation provided in the financial statements is as follows:

	2002 £	2001 £
Accelerated capital allowances	1,376	-
Tax losses available	(1,186)	-
	<u>190</u>	<u>-</u>

8 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £162 (2001 - £nil). Contributions totalling £nil (2001 - £nil) were payable to the fund at the year end and are included in creditors.

9 Share capital

	2002 £	2001 £
Authorised		
10 Ordinary of £ 1 each	<u>10</u>	<u>10</u>
Allotted, called up and fully paid		
10 Ordinary of £ 1 each	<u>10</u>	<u>10</u>

10 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 August 2001	(19,854)
Retained profit for the year	<u>10,570</u>
Balance at 31 July 2002	<u>(9,284)</u>

SOFT SOLUTIONS INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2002

11 Financial commitments

At 31 July 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002 £	2001 £
Expiry date:		
Between one and two years	<u>7,500</u>	<u>7,500</u>

12 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding 2002 £	2001 £	Maximum in year £
R P Howes current account	<u>-</u>	<u>400</u>	<u>400</u>

13 Related party transactions

Included in other creditors due within one year are the following amounts due to the directors P D Howes £8,490 (2001 £22,335), T A Howes £1,026 (2001 £1,137).