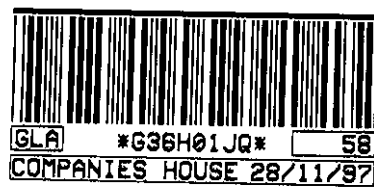


Registrar

ARROWPOINT SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 1996
COMPANY NUMBER : 99407 (SCOTLAND)



ARROWPOINT SERVICES LIMITED

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ARROWPOINT SERVICES LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

Directors

Colin Meggs
Anne M. Meggs

Secretary

Anne M. Meggs

Bankers

The Royal Bank of Scotland Plc
469 Paisley Road
Glasgow G5 8RJ

Accountants

Sinclair Wood & Co
Chartered Accountants
90 Mitchell Street
Glasgow G1 3NQ

Registered Office

3 Holmbrae Avenue
Uddingston
Glasgow G71 6AL

Company Number

99407 (Scotland)

ARROWPOINT SERVICES LIMITED

DIRECTORS' REPORT

The directors submit their report together with the financial statements of the company for the year ended 31 July 1996.

Results and dividends

The results for the year are detailed in the profit and loss account. No dividends were paid during the year. (1995 : £ Nil).

Principal activities

The principal activities of the company have continued to be the provision of electrical engineering services.

Fixed assets

Movements of fixed assets during the year are detailed in note 7 of the financial statements.

Directors and their interests

The directors of the company during the year and their beneficial interests in the share capital were as follows :

Ordinary shares of £1 each

	At 31.7.96	at 31.7.95
	Number	Number
Colin Meggs	1	1
Anne M. Meggs	1	1

The director retiring by rotation is Anne M. Meggs who, being eligible, offers herself for re-election.

Directors' responsibilities for the financial statements

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to :

- Select suitable accounting policies and then apply them consistently ;
- Make judgements and estimates that are reasonable and prudent ;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements ; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

ARROWPOINT SERVICES LIMITED

Directors' responsibilities for the financial statements (continued)

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 financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

As explained on page 7 the company is not required to have its financial statements audited by virtue of the exemptions available under sub-section (1) of Section 249 A of the Companies Act 1985.

By Order of the Board

Anne Nepp

Secretary

**2 Holmbrae Avenue
Uddingstone
Glasgow G71 6AL**

Date..... 28-11-97

ARROWPOINT SERVICES LIMITED**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JULY 1996**

		1996	1995
	Note	£	£
TURNOVER - CONTINUING OPERATIONS	2	61,278	97,407
COST OF SALES		<u>(52,153)</u>	<u>(70,854)</u>
GROSS PROFIT		9,125	26,553
OTHER OPERATING EXPENSES (NET)	4	<u>(15,759)</u>	<u>(18,440)</u>
OPERATING (LOSS) / PROFIT - CONTINUING OPERATIONS		(6,634)	8,113
INTEREST PAYABLE LESS RECEIVABLE	5	<u>(96)</u>	<u>(673)</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(6,730)	7,440
TAXATION	6	<u>-</u>	<u>(1,808)</u>
(LOSS) / PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>(6,730)</u>	<u>5,632</u>
RETAINED (LOSS) / PROFIT FOR YEAR		<u>(6,730)</u>	<u>5,632</u>

There are no recognised gains and losses in 1996 or 1995 other than those included in the profit and loss account above and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 7 to 10 form part of these financial statements.

ARROWPOINT SERVICES LIMITED**BALANCE SHEET
AS AT 31 JULY 1996**

			1996	1995
	Note	£	£	£
FIXED ASSETS				
Tangible assets	7		5,235	<u>6,539</u>
CURRENT ASSETS				
Debtors	8	3,321		4,401
Cash at bank and in hand		<u>5,370</u>		<u>23,404</u>
		8,691		<u>27,805</u>
CREDITORS DUE WITHIN ONE YEAR				
Loans and overdrafts	9	(1,214)		-
Other creditors	10	<u>(7,695)</u>		<u>(22,597)</u>
		(8,909)		<u>(22,597)</u>
NET CURRENT (LIABILITIES) / ASSETS			<u>(218)</u>	<u>5,208</u>
TOTAL NET ASSETS			<u>5,017</u>	<u>11,747</u>
CAPITAL AND RESERVES				
Called up share capital	11		2	2
Profit and loss account	12		<u>5,015</u>	<u>11,745</u>
SHAREHOLDERS' FUNDS	13		<u>5,017</u>	<u>11,747</u>

THE DIRECTORS : /

ARROWPOINT SERVICES LIMITED

BALANCE SHEET

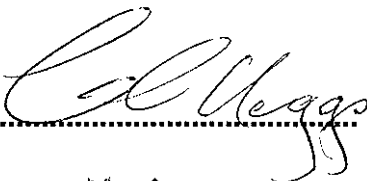
AS AT 31 JULY 1996 (continued)

The directors :

- 1** confirm that for the year ended 31 July 1996, the company was entitled to the exemption under sub-section (1) of Section 249 A of the Companies Act 1985.
- 2** confirm that no notice requiring an audit had been deposited under sub-section (2) of Section 249 B in relation to the accounts for the financial year ; and
- 3** acknowledge their responsibility for :
 - (a) ensuring that the company keeps accounting records which comply with section 221 ; and
 - (b) 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 the Companies Act 1985 relating, so far as applicable, to the company.

The directors have taken advantage of the exemptions conferred by Part 1 of Schedule 8 to the Companies Act 1985, applicable to small companies in the preparation of their accounts, and have done so on the grounds that, in their opinion, the company is entitled to the benefit of those exemptions as a small company.

Director.....



Date.....

28th Nov 97

The notes on pages 7 to 10 form part of these financial statements.

ARROWPOINT SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS AT 31 JULY 1996

1. PRINCIPAL ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies is set out below. There have been no changes to the accounting policies during the year.

(a) Accounting convention

The financial statements have been prepared under the historical cost convention. The company is exempt by virtue of paragraph 8 (a) of Financial Reporting Standard 1 from the requirement to prepare a cash flow statement.

(b) Depreciation

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life as follows :

Property improvements	—	at 10 % per annum on a reducing balance basis
Office equipment	—	at 15 % per annum on a reducing balance basis
Motor vehicles	—	at 25 % per annum on a reducing balance basis

(c) Deferred taxation

Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that corporation tax will be payable.

(d) Leasing and hire purchase commitments

Assets obtained under finance leases or hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of capital outstanding.

Rentals paid on operating leases are charged to income on a straight line basis over the term of the lease.

(e) Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities within the United Kingdom and is stated net of Value Added Tax.

ARROWPOINT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 31 JULY (CONTINUED)**

	1996	1995
3. STAFF COSTS	£	£
Wages and salaries	3,040	2,040
Social security costs	-	570
Other pension costs	<u>3,180</u>	<u>3,180</u>
	<u><u>6,220</u></u>	<u><u>5,790</u></u>
The average weekly number of employees during the year was as follows :		
	Number	Number
Full-time	1	1
Part-time	1	1
	<u>-</u>	<u>-</u>
4. OTHER OPERATING EXPENSES (NET)	£	£
Distribution costs and administrative expenses	8,235	11,451
Depreciation of tangible assets (note 7)	1,304	1,448
Leasing of equipment	-	321
Directors' remuneration- see below	3,040	2,040
Directors' pension	<u>3,180</u>	<u>3,180</u>
	<u><u>15,759</u></u>	<u><u>18,440</u></u>
Directors remuneration consists of :	£	£
Fees	-	-
Other emoluments	<u>3,040</u>	<u>2,040</u>
	<u><u>3,040</u></u>	<u><u>2,040</u></u>
5. INTEREST PAYABLE LESS RECEIVABLE	£	£
Bank overdraft interest and similar charges	(96)	(770)
Interest received	<u>-</u>	<u>97</u>
	<u><u>(96)</u></u>	<u><u>(673)</u></u>
6. TAXATION	£	£
U.K. corporation tax on results for the year @ 25%	<u>-</u>	<u>1,808</u>

ARROWPOINT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 31 JULY (CONTINUED)**

	Property Improvements	Office Equipment	Motor Vehicles	Total
7. TANGIBLE FIXED ASSETS	£	£	£	£
Cost :				
At beginning of year	2,211	9,168	3,900	15,279
Additions	-	-	-	-
(Disposals)	-	-	-	-
At end of year	<u>2,211</u>	<u>9,168</u>	<u>3,900</u>	<u>15,279</u>
Depreciation :				
At beginning of year	1,420	5,614	1,706	8,740
Provided during year	222	533	549	1,304
(Disposals)	-	-	-	-
At end of year	<u>1,642</u>	<u>6,147</u>	<u>2,255</u>	<u>10,044</u>
Net book value :				
At end of year	<u>569</u>	<u>3,021</u>	<u>1,645</u>	<u>5,235</u>
At beginning of year	<u>791</u>	<u>3,554</u>	<u>2,194</u>	<u>6,539</u>
			1996	1995
8. DEBTORS			£	£
<u>Due within one year</u>				
Trade debtors			2,036	2,748
Other debtors			-	368
Corporation tax recoverable			1,285	1,285
			<u>3,321</u>	<u>4,401</u>
9. CREDITORS DUE WITHIN ONE YEAR			£	£
<u>Loans and overdrafts</u>				
Directors loans			<u>1,214</u>	<u>-</u>

ARROWPOINT SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
AT 31 JULY (CONTINUED)**

			1996	1995
10. CREDITORS DUE WITHIN ONE YEAR			£	£
Trade creditors			1,828	14,597
Current corporation tax			2,473	2,473
Social security and other taxes			2,594	1,654
Accruals and deferred income			800	3,873
			<u>7,695</u>	<u>22,597</u>
			Allotted called up and fully paid	
		Authorised	1996	1995
		1996		
		1995		
11. SHARE CAPITAL	Number	Number	£	£
Ordinary shares of £1 each :	<u>100</u>	<u>100</u>	<u>2</u>	<u>2</u>
			1996	1995
12. MOVEMENTS IN RESERVES			£	£
<u>Profit and loss account</u>				
At beginning of year			11,745	6,113
Retained profit transferred to reserves			<u>(6,730)</u>	<u>5,632</u>
At end of year			<u>5,015</u>	<u>11,745</u>
13. RECONCILIATION OF SHAREHOLDERS' FUNDS			£	£
Retained (loss) / profit for year transferred to reserves			(6,730)	5,632
Opening shareholders' funds			<u>11,747</u>	<u>6,115</u>
Closing shareholders' funds			<u>5,017</u>	<u>11,747</u>
14. CAPITAL COMMITMENTS			£	£
Contracted			<u>Nil</u>	<u>Nil</u>
Authorised by the directors but not contracted			<u>Nil</u>	<u>Nil</u>