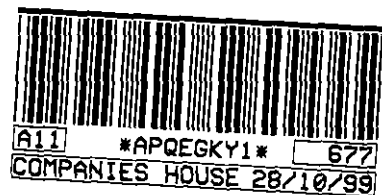


CALTECH UK LIMITED
DIRECTORS' REPORT AND ACCOUNTS
YEAR ENDED 31 DECEMBER 1998

ARVIND LALL & Co
CHARTERED CERTIFIED ACCOUNTANTS



CALTECH UK LIMITED

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CALTECH UK LIMITED

COMPANY INFORMATION

DIRECTORS: MR C.G. GRAHAM AND MRS L. GRAHAM

SECRETARY: MRS L. GRAHAM

REGISTERED OFFICE:

23 GEORGIAN DRIVE
COXHEATH
MAIDSTONE
KENT ME17 4QT

COMPANY NUMBER: 3487492

ACCOUNTANTS:

ARVIND LALL & Co
29/31 GABRIELS HILL
MAIDSTONE
KENT ME15 6HX

CALTECH UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 1998

The directors present their report with the accounts for the year ended 31 December 1998. The company was incorporated on 31 December 1997 and commenced trading on the 1 January 1998.

PRINCIPAL ACTIVITIES

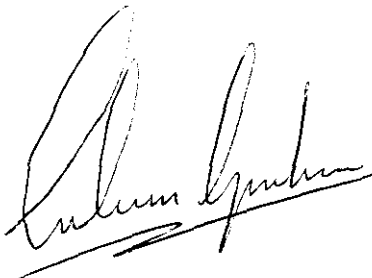
The principal activity of the company during the period was that of Information Technology Consultancy.

DIRECTORS

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

Name	Shares	
	<u>31.12.1998</u>	
Mr C.G.GRAHAM	60	Appointed 31.12.1997
Mrs L.GRAHAM	40	Appointed 31.12.1997

This report has been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standards for Small Entities, was approved by the Board on 26 October 1999 and signed on its behalf.



MR C.G. GRAHAM

DIRECTOR

CALTECH UK LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 1998

	Notes	£
TURNOVER	1,2	82539
Administrative Expenses		<u>42972</u>
OPERATING PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	39567
Taxation on Profit on Ordinary Activities	4	<u>8241</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		31326
DIVIDENDS - Paid	5	31000
RETAINED PROFIT CARRIED FORWARD		<u>326</u>

The company has no recognised gains or losses other than those included in the Profit and Loss Account.

The notes on pages 6 to 8 form part of these accounts

CALTECH UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1998

	Notes	£
FIXED ASSETS:		
Tangible Assets	6	<u>6311</u>
CURRENT ASSETS:		
Bank		15080
CREDITORS: Amounts falling due within one year		
	7	<u>20965</u>
NET CURRENT LIABILITIES		<u>(5885)</u>
NET ASSETS		<u>426</u>
CAPITAL AND RESERVES:		
Called up share capital	8	100
Profit and Loss Account		<u>326</u>
SHAREHOLDERS' FUNDS	9	<u>426</u>

The notes on pages 6 to 8 form part of these accounts

CALTECH UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 1998

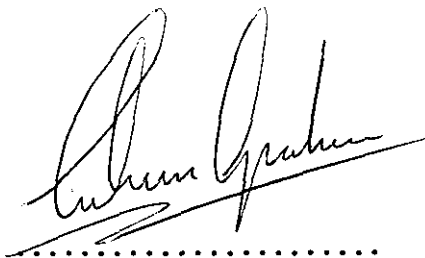
The Directors consider that the company is entitled to exemption from the requirement to have an Audit under the provisions of Section 249(1) of the Companies Act 1985.

Shareholders holding 10% or more of the nominal value of the Company's Issued Share Capital have not issued a notice under Section 249B(2), requiring an Audit.

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 31 December 1998 and of its results for the year then ended in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to the Accounts so far as applicable to the Company.

The financial statements, which have been prepared in accordance with the Special Provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standards for Small Entities were approved by the Board on 26 October 1999 and signed on its behalf.



.....
MR C.G.GRAHAM (DIRECTOR)

The notes on pages 6 to 8 form part of these accounts

CALTECH UK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

1. ACCOUNTING POLICIES

ACCOUNTING CONVENTION

The accounts are prepared under the Historical Cost Convention and include the results of the Company's operations which are described in the Directors' Report and all of which are continuing.

TURNOVER

Turnover represents net invoices rendered exclusive of Value Added Tax.

TANGIBLE FIXED ASSETS

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

Motor Vehicles	- 20% Straight line Basis
Fixtures, Fittings	- 10% Straight Line Basis
Equipment	- 25% Straight Line Basis

DEFERRED TAXATION

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

PENSIONS

The company operates a defined contribution scheme and the pension charge represents amounts payable for the year.

2. TURNOVER

Turnover and profit before taxation are attributable to the principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

	£
Depreciation: Owned assets	1669
Director's Remuneration	9100
Pension Costs	<u>7300</u>

CALTECH UK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

4. TAXATION (U. K.)

Provision - Current Year Corporation Tax	£
Corporation Tax at 21%	<u>8241</u>

5. DIVIDENDS

	£
Paid - £310 per share	<u>31000</u>

6. TANGIBLE FIXED ASSETS

	Fixtures, Fittings & Equipment	Motor Vehicle	Total
	£	£	£
COST	<u>1780</u>	<u>6200</u>	<u>7980</u>
As at 31.12.1998	<u>1780</u>	<u>6200</u>	<u>7980</u>
DEPRECIATION			
Charge for Year	<u>429</u>	<u>1240</u>	<u>1669</u>
As at 31.12.1998	<u>429</u>	<u>1240</u>	<u>1669</u>
NET BOOK VALUE			
As at 31.12.1998	<u>1351</u>	<u>4960</u>	<u>6311</u>

7. CREDITORS : AMOUNTS FALLING
DUE WITHIN ONE YEAR

	£
Corporation Tax	8241
Other creditors	<u>12724</u>
	<u>20965</u>

CALTECH UK LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 DECEMBER 1998

8. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal Value:	£
1000	Ordinary	£1	<u>1000</u>

Allotted, issued
and fully paid:

Number:	Class:	Nominal Value	£
100	Ordinary	£1	<u>100</u>

9. MOVEMENT OF SHAREHOLDERS' FUNDS

	£
Profit for the Year	31326
Issue of Shares	<u>100</u>
	31426
Less: Dividends paid	<u>31000</u>
CLOSING SHAREHOLDERS' FUNDS	<u>426</u>

10. TRANSACTIONS WITH DIRECTORS

Mr.C.G. Graham's sole proprietorship consultancy was paid £14355 by the company on normal commercial terms.