

COMPANY REGISTRATION NUMBER 2323320

PRESTIGE SYSTEMS LTD
(FORMERLY PRESTIGE SYSTEMS PLC)
FINANCIAL STATEMENTS
FOR
31 MARCH 2005

HAINES WATTS

Chartered Accountants & Registered Auditors
The Wergs Golf Club
Keepers Lane
The Wergs
Wolverhampton
WV6 8UA



PRESTIGE SYSTEMS LTD
FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

CONTENTS	PAGE
The directors' report	1
Independent auditors' report to the shareholders	3
Profit and loss account	5
Group balance sheet	6
Balance sheet	7
Group cash flow statement	8
Notes to the financial statements	9
The following pages do not form part of the financial statements	
Detailed profit and loss account	20

PRESTIGE SYSTEMS LTD

THE DIRECTORS' REPORT

YEAR ENDED 31 MARCH 2005

The directors have pleasure in presenting their report and the financial statements of the group for the year ended 31 March 2005.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activities of the company during the year under review were the support and maintenance of computer systems, supply of computer systems and managed services.

The company has recently gone through a substantial change in the levels of service related business. This, coupled with a reorganised sales structure, is producing a greater gross profit in comparison with previous years. The Directors therefore expect the Company to maintain profitability for the ensuing year.

On 31st August 2005 the company changed its name to Prestige Systems Ltd.

RESULTS AND DIVIDENDS

The trading results for the year and the group's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2005	2004
	£	£
Dividend paid on ordinary shares	<u>42,480</u>	<u>210,908</u>

THE DIRECTORS AND THEIR INTERESTS

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £0.10 each	
	At	At
	31 March 2005	1 April 2004
J A Dawson	250,000	250,000
E D A Dawson	250,000	250,000
D Cleary	—	—
J Tully	—	—

DIRECTORS' RESPONSIBILITIES

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 group at the end of the year and of the group's profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 9 to 10, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

PRESTIGE SYSTEMS LTD
THE DIRECTORS' REPORT *(continued)*
YEAR ENDED 31 MARCH 2005

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the group and to enable them to ensure that the financial statements comply with the Companies Act 1985. The directors are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DONATIONS

During the year the company made the following contributions:

	2005	2004
	£	£
Charitable	<u>322</u>	<u>—</u>

AUDITORS

A resolution to re-appoint Haines Watts as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Lygon Court
Hereward Rise
Halesowen
West Midlands
B63 3EB

Signed by order of the directors



K J GRAINGER
Company Secretary

Approved by the directors on 11.10.2005

PRESTIGE SYSTEMS LTD
INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF
PRESTIGE SYSTEMS LTD
YEAR ENDED 31 MARCH 2005

We have audited the financial statements of Prestige Systems Ltd for the year ended 31 March 2005 on pages 5 to 18 which have been prepared under the historical cost convention and the accounting policies set out on pages 9 to 10.

This report is made solely to the company's shareholders, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the group is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the group's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

PRESTIGE SYSTEMS LTD

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PRESTIGE SYSTEMS LTD *(continued)*

YEAR ENDED 31 MARCH 2005

OPINION

In our opinion the financial statements give a true and fair view of the state of the company's affairs and of the group as at 31 March 2005 and of the profit of the group for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Haines Watts

HAINES WATTS
Chartered Accountants
& Registered Auditors

Keepers Lane
The Wergs
Wolverhampton
WV6 8UA

11th October 2005

PRESTIGE SYSTEMS LTD
PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
GROUP TURNOVER	2	3,808,379	4,718,434
Cost of sales		<u>2,050,127</u>	<u>3,180,715</u>
GROSS PROFIT		1,758,252	1,537,719
Administrative expenses		1,720,402	1,800,436
Other operating income	3	<u>(11,864)</u>	<u>(24,905)</u>
OPERATING PROFIT/(LOSS)	4	49,714	(237,812)
Interest receivable		<u>6,340</u>	<u>10,607</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		56,054	(227,205)
Tax on profit/(loss) on ordinary activities	7	<u>3,485</u>	<u>(16,581)</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION	8	52,569	(210,624)
Dividends	9	42,480	210,908
RETAINED PROFIT/(LOSS) FOR THE FINANCIAL YEAR		<u>10,089</u>	<u>(421,532)</u>

All of the activities of the group are classed as continuing.

The group has no recognised gains or losses other than the results for the year as set out above.

The company has taken advantage of section 230 of the Companies Act 1985 not to publish its own Profit and Loss Account.

The notes on pages 9 to 18 form part of these financial statements

PRESTIGE SYSTEMS LTD

GROUP BALANCE SHEET

31 MARCH 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	10	49,143	14,321
CURRENT ASSETS			
Stocks	12	158,447	15,378
Debtors	13	538,933	811,180
Cash at bank and in hand		454,448	480,137
		<u>1,151,828</u>	<u>1,306,695</u>
CREDITORS: Amounts falling due within one year	14	<u>878,410</u>	<u>998,249</u>
NET CURRENT ASSETS		<u>273,418</u>	<u>308,446</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>322,561</u>	<u>322,767</u>
CREDITORS: Amounts falling due after more than one year	15	<u>1,716</u>	<u>12,011</u>
		<u>320,845</u>	<u>310,756</u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	50,000	50,000
Profit and loss account	19	<u>270,845</u>	<u>260,756</u>
SHAREHOLDERS' FUNDS	20	<u>320,845</u>	<u>310,756</u>

These financial statements were approved by the directors on the 11.10.2005 and are signed on their behalf by:


J A DAWSON
DIRECTOR

The notes on pages 9 to 18 form part of these financial statements

PRESTIGE SYSTEMS LTD

BALANCE SHEET

31 MARCH 2005

	Note	2005 £	2004 £
FIXED ASSETS			
Tangible assets	10	49,143	<u>14,321</u>
INVESTMENTS	11	-	<u>-</u>
CURRENT ASSETS			
Stocks	12	158,447	15,378
Debtors	13	538,933	811,180
Cash at bank and in hand		454,448	480,137
		<u>1,151,828</u>	<u>1,306,695</u>
CREDITORS: Amounts falling due within one year	14	<u>878,410</u>	<u>998,249</u>
NET CURRENT ASSETS		<u>273,418</u>	<u>308,446</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>322,561</u>	<u>322,767</u>
CREDITORS: Amounts falling due after more than one year	15	<u>1,716</u>	<u>12,011</u>
		<u><u>320,845</u></u>	<u><u>310,756</u></u>
CAPITAL AND RESERVES			
Called-up equity share capital	18	50,000	50,000
Profit and loss account	19	<u>270,845</u>	<u>260,756</u>
SHAREHOLDERS' FUNDS		<u><u>320,845</u></u>	<u><u>310,756</u></u>

These financial statements were approved by the directors on the 11.10.2005 and are signed on their behalf by:


J A DAWSON
DIRECTOR

The notes on pages 9 to 18 form part of these financial statements

PRESTIGE SYSTEMS LTD
GROUP CASH FLOW CASH FLOW STATEMENT
YEAR ENDED 31 MARCH 2005

	Note	2005 £	2004 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	21	82,578	41,702
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE	21	6,340	10,607
TAXATION	21	—	(27,119)
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT	21	(61,832)	1,235
EQUITY DIVIDENDS PAID		(42,480)	(210,908)
CASH OUTFLOW BEFORE FINANCING		(15,394)	(184,483)
FINANCING	21	(10,295)	22,305
DECREASE IN CASH	21	(25,689)	(162,178)

The notes on pages 9 to 18 form part of these financial statements

PRESTIGE SYSTEMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards..

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over five years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively. As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 230 of the Companies Act 1985.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Fixed assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office equipment	25% and 33% straight line basis
Computer equipment	33% and 50% straight line basis
House software	50% straight line basis

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

PRESTIGE SYSTEMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

1. ACCOUNTING POLICIES *(continued)*

Maintenance and support income

Maintenance and support income is recognised fully to the profit and loss account at the date of invoicing. The related support expenditure is also accrued in its entirety at this point.

2. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the group.
An analysis of turnover is given below:

	2005 £	2004 £
United Kingdom	3,598,527	4,695,144
European Community	209,852	12,231
Australia	—	6,216
United States of America	—	4,843
	<u>3,808,379</u>	<u>4,718,434</u>

3. OTHER OPERATING INCOME

	2005 £	2004 £
Rent receivable	12,000	24,000
Foreign exchange	(136)	905
	<u>11,864</u>	<u>24,905</u>

4. OPERATING PROFIT/(LOSS)

Operating profit/(loss) is stated after charging/(crediting):

	2005 £	2004 £
Depreciation of owned fixed assets	26,746	33,580
Loss/(Profit) on disposal of fixed assets	264	(1,578)
Auditors remuneration	7,100	7,190
Operating lease costs:		
Plant and equipment	8,964	7,952
Directors' emoluments	<u>278,219</u>	<u>198,764</u>

PRESTIGE SYSTEMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

5. PARTICULARS OF EMPLOYEES

The average number of staff employed by the group during the financial year amounted to:

	2005 No	2004 No
Number of distribution staff	18	19
Number of administrative staff	<u>6</u>	<u>8</u>
	<u>24</u>	<u>27</u>

The aggregate payroll costs of the above were:

	2005 £	2004 £
Wages and salaries	1,108,377	1,001,313
Social security costs	136,160	117,476
Other pension costs	<u>21,712</u>	<u>20,355</u>
	<u>1,266,249</u>	<u>1,139,144</u>

6. DIRECTORS' EMOLUMENTS

The directors' aggregate emoluments in respect of qualifying services were:

	2005 £	2004 £
Emoluments receivable	272,662	193,207
Value of company pension contributions to money purchase schemes	<u>5,557</u>	<u>5,557</u>
	<u>278,219</u>	<u>198,764</u>

The number of directors who accrued benefits under company pension schemes was as follows:

	2005 No	2004 No
Money purchase schemes	<u>1</u>	<u>1</u>

PRESTIGE SYSTEMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

7. TAXATION ON ORDINARY ACTIVITIES

(a) Analysis of charge in the year

	2005 £	2004 £
Current tax:		
UK Corporation tax based on the results for the year at 19% (2004 0%)	3,485	—
Over/under provision in prior year	—	(16,581)
Total current tax	<u>3,485</u>	<u>(16,581)</u>

(b) Factors affecting current tax charge

The tax assessed on the profit/(loss) on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 19% (2004 19%).

	2005 £	2004 £
Profit/(loss) on ordinary activities before taxation	<u>56,054</u>	<u>(227,205)</u>
Profit/(loss) on ordinary activities by rate of tax	10,650	—
Accelerated capital allowances	(4,562)	—
Disallowable expenses	5,332	—
Losses b/f utilised this year	<u>(7,935)</u>	—
Total current tax (note 7(a))	<u>3,485</u>	—

8. PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY

The profit dealt with in the accounts of the parent company was £52,569 (2004 - £(212,290)).

9. DIVIDENDS

The following dividends have been paid in respect of the year:

	2005 £	2004 £
Dividend paid on ordinary shares	<u>42,480</u>	<u>210,908</u>

PRESTIGE SYSTEMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

10. TANGIBLE FIXED ASSETS

Group	Office & computer equipment £	House Software £	Total £
COST			
At 1 April 2004	240,511	32,626	273,137
Additions	58,842	2,990	61,832
Disposals	(19,782)	(5,295)	(25,077)
At 31 March 2005	<u>279,571</u>	<u>30,321</u>	<u>309,892</u>
DEPRECIATION			
At 1 April 2004	226,190	32,626	258,816
Charge for the year	25,376	1,370	26,746
On disposals	(19,518)	(5,295)	(24,813)
At 31 March 2005	<u>232,048</u>	<u>28,701</u>	<u>260,749</u>
NET BOOK VALUE			
At 31 March 2005	<u>47,523</u>	<u>1,620</u>	<u>49,143</u>
At 31 March 2004	<u>14,321</u>	<u>—</u>	<u>14,321</u>

Hire purchase and finance lease agreements

Included within the net book value of £49,143 is £Nil (2004 - £Nil) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2004 - £Nil).

Capital commitments

	2005 £	2004 £
Contracted but not provided for in the financial statements	<u>40,706</u>	<u>75,689</u>

PRESTIGE SYSTEMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

10. TANGIBLE FIXED ASSETS *(continued)*

Company	Office & computer equipment £	House Software £	Total £
COST			
At 1 April 2004	240,511	32,626	273,137
Additions	58,842	2,990	61,832
Disposals	(19,782)	(5,295)	(25,077)
At 31 March 2005	<u>279,571</u>	<u>30,321</u>	<u>309,892</u>
DEPRECIATION			
At 1 April 2004	226,190	32,626	258,816
Charge for the year	25,376	1,370	26,746
On disposals	(19,518)	(5,295)	(24,813)
At 31 March 2005	<u>232,048</u>	<u>28,701</u>	<u>260,749</u>
NET BOOK VALUE			
At 31 March 2005	<u>47,523</u>	<u>1,620</u>	<u>49,143</u>
At 31 March 2004	<u>14,321</u>	<u>—</u>	<u>14,321</u>

Hire purchase and finance lease agreements

Included within the net book value of £49,143 is £Nil (2004 - £Nil) relating to assets held under hire purchase and finance lease agreements. The depreciation charged to the financial statements in the year in respect of such assets amounted to £Nil (2004 - £Nil).

Capital commitments

	2005 £	2004 £
Contracted but not provided for in the financial statements	<u>40,706</u>	<u>75,689</u>

11. INVESTMENTS

Company	Group Companies £
COST	
At 1 April 2004 and 31 March 2005	20,000
PROVISION	
At 1 April 2004 and 31 March 2005	20,000
NET BOOK VALUE	
At 31 March 2005	<u>—</u>
At 31 March 2004	<u>—</u>

The company owns 66.7% of the issued share capital of Prestige Data Services Ltd, a company registered in England and Wales.

PRESTIGE SYSTEMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

12. STOCKS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Finished goods	<u>158,447</u>	<u>15,378</u>	<u>158,447</u>	<u>15,378</u>

13. DEBTORS

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade debtors	470,701	701,368	470,701	701,368
Other debtors	5,776	15,047	5,776	15,047
Prepayments and accrued income	<u>62,456</u>	<u>94,765</u>	<u>62,456</u>	<u>94,765</u>
	<u>538,933</u>	<u>811,180</u>	<u>538,933</u>	<u>811,180</u>

Included in other debtors are the following overdrawn directors loan accounts, Mr J A Dawson £3,036 (2004:£7,035) and Mr J Tully £NIL (2004:£2,413) and Mrs D Cleary £1,900 (2004: £NIL). The maximum amounts outstanding during the year were Mr J A Dawson £7,035 (2004:£115,082) and Mr J Tulley £2,413 (2004: £2,413) and Mrs D Cleary £1,900 (2004:£NIL).

14. CREDITORS: Amounts falling due within one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Trade creditors	519,523	304,113	519,523	304,113
Hire purchase and finance lease agreements	10,294	10,294	10,294	10,294
Other creditors	112,558	187,232	112,558	187,232
Accruals and deferred income	<u>236,035</u>	<u>496,610</u>	<u>236,035</u>	<u>496,610</u>
	<u>878,410</u>	<u>998,249</u>	<u>878,410</u>	<u>998,249</u>

15. CREDITORS: Amounts falling due after more than one year

	Group		Company	
	2005	2004	2005	2004
	£	£	£	£
Hire purchase and finance lease agreements	<u>1,716</u>	<u>12,011</u>	<u>1,716</u>	<u>12,011</u>

16. COMMITMENTS UNDER HIRE PURCHASE AND FINANCE LEASE AGREEMENTS

Future commitments under hire purchase and finance lease agreements are as follows:

	2005	2004
	£	£
Group and Company		
Amounts payable within 1 year	1,716	10,294
Amounts payable between 1 and 2 years	<u>10,294</u>	<u>12,011</u>
	<u>12,010</u>	<u>22,305</u>

PRESTIGE SYSTEMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

17. RELATED PARTY TRANSACTIONS

Throughout the year, the company was under the control of Mr J A Dawson, a shareholder and the Chairman of the Company.

18. SHARE CAPITAL

Authorised share capital:

	2005 £	2004 £
500,000 Ordinary shares of £0.10 each	<u>50,000</u>	<u>50,000</u>

Allotted, called up and fully paid:

	2005		2004	
	No	£	No	£
Ordinary shares of £0.10 each	<u>500,000</u>	<u>50,000</u>	<u>500,000</u>	<u>50,000</u>

19. RESERVES

Group	Profit and loss account £
Balance brought forward	260,756
Retained profit for the year	<u>10,089</u>
Balance carried forward	<u>270,845</u>

Company	Profit and loss account £
Balance brought forward	260,756
Retained profit for the year	<u>10,089</u>
Balance carried forward	<u>270,845</u>

20. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2005 £	2004 £
Profit/(Loss) for the financial year	52,569	(210,624)
Dividends	<u>(42,480)</u>	<u>(210,908)</u>
	10,089	(421,532)
Opening shareholders' equity funds	<u>310,756</u>	<u>732,288</u>
Closing shareholders' equity funds	<u>320,845</u>	<u>310,756</u>

21. NOTES TO THE STATEMENT OF CASH FLOWS

RECONCILIATION OF OPERATING PROFIT/(LOSS) TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2005	2004
	£	£
Operating profit/(loss)	49,714	(237,812)
Depreciation	26,746	33,580
Loss/(Profit) on disposal of fixed assets	264	(1,578)
(Increase)/decrease in stocks	(143,069)	84,376
Decrease in debtors	288,247	603,022
Decrease in creditors	(139,324)	(439,886)
Net cash inflow from operating activities	<u>82,578</u>	<u>41,702</u>

RETURNS ON INVESTMENTS AND SERVICING OF FINANCE

	2005	2004
	£	£
Interest received	<u>6,340</u>	<u>10,607</u>
Net cash inflow from returns on investments and servicing of finance	<u>6,340</u>	<u>10,607</u>

TAXATION

	2005	2004
	£	£
TAXATION	<u>-</u>	<u>(27,119)</u>

PRESTIGE SYSTEMS LTD
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2005

21. NOTES TO THE STATEMENT OF CASH FLOWS *(continued)*

CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT

	2005 £	2004 £
Payments to acquire tangible fixed assets	(61,832)	(6,488)
Receipts from sale of fixed assets	—	7,723
Net cash (outflow)/inflow for capital expenditure and financial investment	<u>(61,832)</u>	<u>1,235</u>

FINANCING

	2005 £	2004 £
Capital element of hire purchase and finance lease	(10,295)	22,305
Net cash (outflow)/inflow from financing	<u>(10,295)</u>	<u>22,305</u>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2005 £	2004 £
Decrease in cash in the period	(25,689)	(162,178)
Cash outflow in respect of hire purchase and finance lease	<u>10,295</u>	<u>(22,305)</u>
	(15,394)	(184,483)
Change in net funds	(15,394)	(184,483)
Net funds at 1 April 2004	457,832	642,315
Net funds at 31 March 2005	<u>442,438</u>	<u>457,832</u>

ANALYSIS OF CHANGES IN NET FUNDS

	At 1 Apr 2004 £	Cash flows £	At 31 Mar 2005 £
Net cash:			
Cash in hand and at bank	480,137	(25,689)	454,448
Debt:			
Hire purchase and finance lease agreements	(22,305)	10,295	(12,010)
Net funds	<u>457,832</u>	<u>(15,394)</u>	<u>442,438</u>

PRESTIGE SYSTEMS LTD
MANAGEMENT INFORMATION
YEAR ENDED 31 MARCH 2005

**The following pages do not form part of the statutory financial statements
which are the subject of the independent auditors' report on pages 3 to 4.**

PRESTIGE SYSTEMS LTD
DETAILED PROFIT AND LOSS ACCOUNT
YEAR ENDED 31 MARCH 2005

	2005	2004
	£	£
TURNOVER	3,808,379	4,718,434
Purchases	<u>2,050,127</u>	<u>3,180,715</u>
GROSS PROFIT	1,758,252	1,537,719
OVERHEADS		
Directors salaries	272,662	193,207
Directors pensions	5,557	5,557
Commission	173,096	198,529
Wages and salaries	662,619	609,577
Employers NIC	136,160	117,476
Pension contributions	16,155	14,798
Rent, rates and insurance	136,926	141,119
Light and heat	6,995	6,027
Maintenance	21,099	24,477
Motor expenses	116,260	126,400
Travel and subsistence	12,325	23,816
Telephone	29,503	28,891
Equipment leasing charges	8,964	7,952
Postage, printing & stationery	5,439	6,597
Training	6,049	9,432
Recruitment	24,890	1,175
Sundry expenses	25,064	21,130
Promotions, exhibitions & marketing	(8,391)	11,117
Entertaining	18,331	26,086
Legal and professional fees	10,388	13,365
Auditors remuneration	7,100	7,190
Depreciation of office and computer equipment	25,376	28,246
Depreciation of motor vehicles	—	544
Depreciation of house software	1,370	4,790
Loss/(Profit) on disposal of fixed assets	264	(1,578)
Bad debts	310	171,639
Bank charges	5,891	4,543
	<u>1,720,402</u>	<u>1,802,102</u>
	37,850	(264,383)
OTHER OPERATING INCOME	11,864	24,905
OPERATING PROFIT/(LOSS)	49,714	(239,478)
Bank interest receivable	<u>6,340</u>	<u>10,607</u>
PROFIT/(LOSS) ON ORDINARY ACTIVITIES	56,054	(228,871)
OTHER OPERATING INCOME		
Rent receivable	12,000	24,000
Foreign exchange	(136)	905
	<u>11,864</u>	<u>24,905</u>
INTEREST RECEIVABLE		
Bank interest receivable	<u>6,340</u>	<u>10,607</u>