

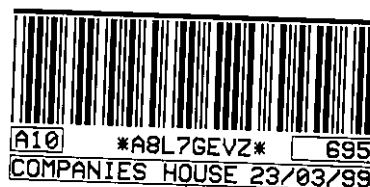
Reg of W's.

Company Number: 2354167

A & P COMPUTERS LIMITED

FINANCIAL STATEMENTS

28 FEBRUARY 1998



Bessler Hendrie
Chartered Accountants
River House
6 Walnut Tree Park
Walnut Tree Close
Guildford
Surrey GU1 4TW

A & P COMPUTERS LIMITED

DIRECTORS AND OFFICERS

DIRECTORS

Mr P Moh
Mr S Azeem
Mr T Tan (resigned 30 September 1998)

SECRETARY

Mr S Azeem

REGISTERED OFFICE

Unit 5
Walnut Tree Park
Walnut Tree Close
Guildford
Surrey GU1 4TR

AUDITORS

Bessler Hendrie
Chartered Accountants
River House
6 Walnut Tree Park
Walnut Tree Close
Guildford
Surrey GU1 4TW

A & P COMPUTERS LIMITED**DIRECTORS' REPORT**

The Directors submit their Report and the Financial Statements of A & P Computers Limited for the year ended 28 February 1998.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was the provision of computer sales and services.

RESULTS AND DIVIDENDS

The results for the 1998 year reflect the loss of the company's two major corporate customer's accounts who were the subject of restructuring and merger. These two accounts contributed some 70% of the company's 1997 turnover. The results for 1998 include a substantial recovery in new turnover which was generated in a very competitive market, and the Directors consider this a very significant achievement.

Trading after the year end has continued to improve with increasing turnover levels. In consequence the company's overall position is much improved in that it has achieved a more balanced and diversified customer base. There remains much hard work to do, but the Directors are confident of improved results in the future.

The trading profit for the year after taxation was £36,630 (1997: £166,427).

The directors do not recommend payment of a final dividend.

DIRECTORS

The following directors have held office since 1 March 1997:-

Mr P Moh
 Mr S Azeem
 Mr T Tan (resigned 30 September 1998)
 Mr M J Cook (appointed 16 February 1999)

DIRECTORS' INTERESTS IN SHARES

Directors' interests in the shares of the company, including family interest, were as follows:-

	Ordinary shares of £1 each	
	1998	1997
Mr P Moh	1	2
M S Azeem	1	-

A & P COMPUTERS LIMITED

DIRECTORS' REPORT cont'd.

AUDITORS

A resolution to re-appoint Bessler Hendrie, Chartered Accountants, as auditors will be put to the members at the Annual General Meeting.

SCHEDULE 8 EXEMPTIONS

Advantage has been taken in the preparation of the Directors' Report of the special exemptions applicable to small companies conferred by Part VIII of the Companies Act 1985.

By Order of the Board



Secretary

26 February 1999

A & P COMPUTERS LIMITED

**DIRECTORS' RESPONSIBILITIES IN THE PREPARATION
OF FINANCIAL STATEMENTS
for the year ended 28 February 1998**

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 period. In preparing those financial statements, the directors are required to:

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

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 requirements of 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' REPORT TO THE MEMBERS OF
A & P COMPUTERS LIMITED**

We have audited the financial statements on pages 6 to 14, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 4 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with 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 company'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.

OPINION

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 28 February 1998 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Bessler Hendrie

BESSLER HENDRIE
Registered Auditor
Chartered Accountants
69 High Street
Guildford
Surrey GU1 3DY

26 February 1999

A & P COMPUTERS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 28 February 1998

	Notes	1998	1997
TURNOVER	1	3,155,353	4,239,221
Cost of sales		<u>(2,610,233)</u>	<u>(3,470,017)</u>
Gross profit		545,120	769,204
Other operating expenses (net)	2	<u>(501,674)</u>	<u>(532,959)</u>
OPERATING PROFIT		43,446	236,245
Investment income	3	3,647	872
Interest payable		<u>(2,711)</u>	<u>(10,694)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	44,382	226,423
Taxation		<u>7,752</u>	<u>59,996</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		36,630	166,427
Dividends	6	<u>-</u>	<u>7,200</u>
PROFIT FOR THE YEAR	14	<u>£ 36,630</u>	<u>£ 159,227</u>

The operating profit for the year arises from the company's continuing operations.

No separate Statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss Account.

A & P COMPUTERS LIMITED**BALANCE SHEET****28 February 1998**

	Notes	1998	1997
FIXED ASSETS			
Tangible assets	7	63,761	72,691
CURRENT ASSETS			
Stocks		145,878	177,693
Debtors	8	783,297	533,655
Cash at bank and in hand		51,918	68,164
		<u>981,093</u>	<u>779,512</u>
CREDITORS			
Amounts falling due within one year	9	526,914	352,898
		<u>454,179</u>	<u>426,614</u>
NET CURRENT ASSETS			
		<u>517,940</u>	<u>499,305</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
CREDITORS			
Amounts falling due after more than one year	10	2,917	14,334
PROVISIONS FOR LIABILITIES AND CHARGES	11	50,280	56,858
		<u>£ 464,743</u>	<u>£ 428,113</u>
CAPITAL AND RESERVES			
Called up share capital	13	2	2
Profit and loss account	14	464,741	428,111
SHAREHOLDERS' FUNDS	15	<u>£ 464,743</u>	<u>£ 428,113</u>

Advantage is taken in the preparation of the financial statements of the special provisions relating to small companies by Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities.

Approved by the Board on 26 February 1999

..... Director

A & P COMPUTERS LIMITED
Financial Statements for the year ended 28 February 1998

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

TANGIBLE FIXED ASSETS

Fixed assets are stated at historical cost.

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value over its expected useful life, as follows:-

Fixtures and equipment	25%	reducing balance
Motor vehicles	25%	reducing balance

STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost and net realisable value.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account in proportion to the remaining balance outstanding.

All other leases are "operating leases" and the annual rentals are charged to the profit and loss on a straight line basis over the lease term.

A & P COMPUTERS LIMITED
Financial Statements for the year ended 28 February 1998

ACCOUNTING POLICIES

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

WARRANTY CLAIMS

Provision is made for liabilities arising in respect of specific warranty claims.

PENSIONS

“Pension contributions” represents amounts paid on behalf of employees into private pension plans held by those employees.

A & P COMPUTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 28 February 1998**1. TURNOVER**

The company's turnover and profit before taxation were all derived from its principal activity, less than 1% of which were attributable to markets outside the United Kingdom.

2. OTHER OPERATING EXPENSES

	1998 £	1997 £
Administration expenses	523,067	532,959
Other operating income	(21,393)	-
	<u>501,674</u>	<u>532,959</u>

3. INVESTMENT INCOME

Other interest receivable	<u>3,647</u>	<u>872</u>
---------------------------	--------------	------------

**4. PROFIT ON ORDINARY ACTIVITIES
BEFORE TAXATION**

Profit on ordinary activities before taxation is stated
after charging/(crediting):

Depreciation of tangible assets	20,213	16,251
Operating lease rentals:		
land and buildings	45,000	43,912
Auditors' remuneration	4,100	4,250
Rental income	21,393	-
	<u>21,393</u>	<u>-</u>

5. DIRECTORS' REMUNERATION

Aggregate emoluments	<u>194,574</u>	<u>207,698</u>
Company contributions to money purchase pension schemes	<u>11,828</u>	<u>6,925</u>

A & P COMPUTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 28 February 1998

	1998 £	1997 £
8. DEBTORS		
Due within one year:		
Trade debtors	777,312	494,920
Taxation	-	32,938
Other debtors	5,985	5,797
	<u>783,297</u>	<u>533,655</u>

9. CREDITORS

Amounts falling due within one year:

Bank overdraft	94,480	-
Trade creditors	345,265	217,592
Corporation tax	10,116	58,420
Other taxation and social security costs	51,786	48,010
Other creditors	25,267	28,876
	<u>526,914</u>	<u>352,898</u>

The bank overdraft is secured by a fixed and floating charge over the assets of the company.

10. CREDITORS

Amounts falling due in more than one year:

Other creditors	<u>2,917</u>	<u>14,334</u>
-----------------	--------------	---------------

A & P COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 1998

	1998	1997
	£	£
6. DIVIDENDS		
Ordinary:		
Interim paid - £Nil (1997 £3,600) per share	-	7,200
7. TANGIBLE FIXED ASSETS		
	Fittings and equipment	Motor vehicles
		TOTAL
Cost:		
1 March 1997	53,463	64,277
Additions	7,324	9,355
Disposals	(6,167)	-
28 February 1998	54,620	73,632
Depreciation:		
1 March 1997	12,112	32,937
Charge in the year	10,040	10,173
Disposals	(771)	-
28 February 1998	21,381	43,110
Net book value:		
28 February 1998	33,239	30,522
28 February 1997	41,351	31,340

£

£

A & P COMPUTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
for the year ended 28 February 1998

	1998 £	1997 £
11. PROVISIONS FOR LIABILITIES AND CHARGES		
Warranty claims provision	<u>50,280</u>	<u>56,858</u>

12. DEFERRED TAXATION

Deferred taxation provided in the financial statements and the unprovided potential asset are as follows:-

	Amount provided		Unprovided asset	
	1998 £	1997 £	1998 £	1997 £
Accelerated depreciation over capital allowances	<u>-</u>	<u>-</u>	<u>1,370</u>	<u>1,320</u>

	1998 £	1997 £
--	-----------	-----------

13. SHARE CAPITAL

Authorised:

1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
----------------------------------	--------------	--------------

Allotted, issued and fully paid:

2 Ordinary shares of £1 each	<u>2</u>	<u>2</u>
------------------------------	----------	----------

A & P COMPUTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 1998**

	1998 £	1997 £
14. PROFIT AND LOSS ACCOUNT		
Balance at 1 March 1997	428,111	268,884
Profit for the year	36,630	159,227
28 February 1998	<u>464,741</u>	<u>428,111</u>
15. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS		
Profit for the financial year	36,630	166,427
Dividends	-	(7,200)
	<u>36,630</u>	<u>159,227</u>
Opening shareholders' funds	428,113	268,886
Closing shareholders' funds	<u>464,743</u>	<u>428,113</u>
16. COMMITMENTS UNDER OPERATING LEASES		
At 28 February 1998 the company had annual commitments under non-cancellable operating leases as follows:-		
Land and buildings:		
expiring after 5 years	<u>45,000</u>	<u>45,000</u>