

A & P COMPUTERS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 29 FEBRUARY 2004

Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill
Mill Lane, Chilworth
Guildford
Surrey
GU4 8RT



A & P COMPUTERS LIMITED

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for the year ended 29 February 2004

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A & P COMPUTERS LIMITED

COMPANY INFORMATION

for the year ended 29 February 2004

DIRECTORS:

S Azeem
M Cook
A Din

SECRETARY:

S Azeem

REGISTERED OFFICE:

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

REGISTERED NUMBER: 2354167

AUDITORS:

Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill
Mill Lane, Chilworth
Guildford
Surrey
GU4 8RT

BANKERS:

HSBC
168 High Street
Guildford
Surrey
GU1 3YU

A & P COMPUTERS LIMITED

REPORT OF THE DIRECTORS

for the year ended 29 February 2004

The directors present their report with the financial statements of the company for the year ended 29 February 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the provision of computer sales and services.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The company has achieved a substantial growth in turnover this year, which is a most pleasing result. Profitability has also increased significantly in line with turnover. Unfortunately the company has suffered an exceptional cost in the year of £189,250 relating to an irrecoverable trading debt. However, despite this, a net profit before taxation of £128,570 has been achieved.

DIRECTORS

The directors during the year under review were:

S Azeem
M Cook
A Din

The beneficial interests of the directors holding office on 29 February 2004 in the issued share capital of the company were as follows:

	29.2.04	1.3.03
Ordinary £1 shares		
S Azeem	2	2
M Cook	-	-
A Din	-	-

STATEMENT OF 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 profit or loss of the company for that period. 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

A & P COMPUTERS LIMITED

**REPORT OF THE DIRECTORS
for the year ended 29 February 2004**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

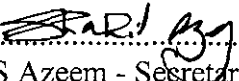
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITORS

The auditors, Bessler Hendrie, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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:


.....
S Azeem - Secretary

Date: 5 November 2004

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF A & P COMPUTERS LIMITED

We have audited the financial statements of A & P Computers Limited for the year ended 29 February 2004 on pages six to thirteen. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, 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 members 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 members 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 on pages two and three the company's directors are responsible for the preparation of 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 Report of the Directors 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 company is not disclosed.

We read the Report of the Directors 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 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
A & P COMPUTERS LIMITED**

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 29 February 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Bessler Hendrie

Bessler Hendrie
Chartered Accountants
Registered Auditor
Albury Mill
Mill Lane, Chilworth
Guildford
Surrey
GU4 8RT

Date: *5 November 2004*

A & P COMPUTERS LIMITED**PROFIT AND LOSS ACCOUNT****for the year ended 29 February 2004**

	Notes	2004 £	2003 £
TURNOVER	2	6,371,819	3,298,552
Cost of sales		(5,108,649)	(2,526,128)
GROSS PROFIT		1,263,170	772,424
Administrative expenses		(948,473)	(853,918)
OPERATING PROFIT/(LOSS)	3	314,697	(81,494)
Bad debt	4	(189,250)	-
		125,447	(81,494)
Interest receivable and similar income		4,218	2,138
		129,665	(79,356)
Interest payable and similar charges		(1,095)	(3,029)
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		128,570	(82,385)
Tax on profit/(loss) on ordinary activities	5	-	-
PROFIT/(LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION		128,570	(82,385)
Retained profit brought forward		369,556	451,941
RETAINED PROFIT CARRIED FORWARD		£498,126	£369,556

The notes form part of these financial statements

A & P COMPUTERS LIMITED**BALANCE SHEET****29 February 2004**

	Notes	2004 £	2003 £
FIXED ASSETS:			
Tangible assets	6	52,178	54,990
CURRENT ASSETS:			
Stock and work in progress		127,723	148,504
Debtors	7	999,770	460,021
Cash at bank		408,239	112,763
		<u>1,535,732</u>	<u>721,288</u>
CREDITORS: Amounts falling due within one year	8	<u>(1,044,393)</u>	<u>(401,217)</u>
NET CURRENT ASSETS:		<u>491,339</u>	<u>320,071</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		<u>543,517</u>	<u>375,061</u>
CREDITORS: Amounts falling due after more than one year	9	(2,789)	(5,503)
PROVISIONS FOR LIABILITIES AND CHARGES:	11	(42,600)	-
		<u>£498,128</u>	<u>£369,558</u>
CAPITAL AND RESERVES:			
Called up share capital	12	2	2
Profit and loss account		498,126	369,556
SHAREHOLDERS' FUNDS:		<u>£498,128</u>	<u>£369,558</u>

The notes form part of these financial statements

A & P COMPUTERS LIMITED

BALANCE SHEET
29 February 2004

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).

ON BEHALF OF THE BOARD:


.....
S Azeem - Director

Approved by the Board on *5 November 2004*

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2004

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 25% on reducing balance

Stocks

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

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantially enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account as incurred.

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

NOTES TO THE FINANCIAL STATEMENTS for the year ended 29 February 2004

1. ACCOUNTING POLICIES - continued

Pensions

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

2. TURNOVER

The company's turnover and loss before taxation were all derived from its principal activity, 51% of which were attributable to markets outside the United Kingdom.

3. OPERATING PROFIT/(LOSS)

The operating profit (2003 - operating loss) is stated after charging:

	2004	2003
	£	£
Depreciation - owned assets	11,707	14,805
Loss on disposal of fixed assets	690	4,059
Auditors' remuneration	4,000	4,000
Pension costs	8,940	9,351
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	127,960	143,044
	<u> </u>	<u> </u>

4. EXCEPTIONAL ITEMS

In the year to 29 February 2004 the company suffered an irrecoverable trading debt amounting to £189,250.

5. TAXATION

Analysis of the tax charge

No liability to UK corporation tax arose on ordinary activities for the year ended 29 February 2004 nor for the year ended 28 February 2003.

As at 29 February 2004 the company had trading losses of approximately £110,000 (2003: £237,000) to carry forward against future trading profits.

A & P COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 29 February 2004

6. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
At 1 March 2003	133,924
Additions	13,354
Disposals	(13,985)
At 29 February 2004	133,293
DEPRECIATION:	
At 1 March 2003	78,934
Charge for year	11,707
Eliminated on disposals	(9,526)
At 29 February 2004	81,115
NET BOOK VALUE:	
At 29 February 2004	52,178
At 28 February 2003	54,990

The net book value of motor vehicles includes £13,623 (2003: £19,623) in respect of assets held under finance leases and hire purchase contracts. The amount of depreciation in respect of such assets amounted to £3,375 for the year (2003: £4,708).

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004 £	2003 £
Trade debtors	916,288	432,639
Other debtors	83,482	27,382
	999,770	460,021

A & P COMPUTERS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 29 February 2004****8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004	2003
	£	£
Hire purchase contracts	8,139	6,845
Trade creditors	972,909	255,124
Other creditors	38,507	109,643
Social security & other taxes	24,838	29,605
	<u>1,044,393</u>	<u>401,217</u>

**9. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2004	2003
	£	£
Hire purchase contracts	<u>2,789</u>	<u>5,503</u>

10. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2004	2003
	£	£
Expiring:		
Between one and five years	<u>50,000</u>	<u>50,000</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	2004	2003
	£	£
Warranty claims provisions	<u>42,600</u>	<u>-</u>

A provision of £42,600 has been recognised for expected warranty claims on goods sold during the year.

A & P COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 29 February 2004

12. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2004	2003
		£1	£	£
1,000	Ordinary		<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2004	2003
		£1	£	£
2	Ordinary		<u>2</u>	<u>2</u>

13. RELATED PARTY DISCLOSURES

During the year, sales of £336 (2003: Nil) and purchases of Nil (2003: £300) were made from Oakleaf Enterprises Limited in the ordinary course of business. Mr Azeem was a director of Oakleaf Enterprises Limited during the year but resigned on 20 January 2004.

During the year, sales of £5,927 (2003: £12,703) were made to Walton Marina Limited during the ordinary course of business. Mr Cook is a director of Walton Marina Limited. At 29 February 2004, Walton Marina Limited owed A & P Computers Limited £529 (2003: £1,936).

During the year, sales of £9,412 (2003: £7,102) were made to Calltel Telecom Limited in the ordinary course of business. In addition, rent of £4,000 (2003: £5,336) was charged to Calltel Telecom Limited in respect of its occupation of part of the premises. Mr Azeem was a director and shareholder of Calltel Telecom Limited during the year. He resigned as director on 26 January 2004 and is no longer a shareholder of that company. At 29 February 2004, Calltel Telecom Limited owed A & P Computers Limited Nil (2002: £3,305).

14. DEFERRED TAXATION

As at 29 February 2004, there is a deferred tax asset of approximately £21,000 (2003: £45,000). No deferred tax asset has been recognised in these Accounts on the basis that there is insufficient evidence when the asset will be recoverable.