

A & P COMPUTERS LIMITED
REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2005

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



A & P COMPUTERS LIMITED

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for the year ended 28 February 2005**

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A & P COMPUTERS LIMITED

COMPANY INFORMATION
for the year ended 28 February 2005

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 Auditors 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 28 February 2005

The directors present their report with the financial statements of the company for the year ended 28 February 2005.

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.

2004 has been a difficult trading period for the industry, and the decline in turnover achieved for the year is a reflection of these uncertain trading conditions. However, despite this, the company has maintained reasonable profit margins and achieved profit before tax for the year of £73,887 (2004: £128,570). During the year dividends paid totalled £41,600 leaving a retained profit of £30,687 to be transferred to reserves (2004: £128,570). The current financial year to 28 February 2006 already shows substantial growth in turnover compared with the previous year, and therefore the directors are confident that turnover and profitability will return to those levels achieved in year ended 29 February 2004.

DIRECTORS

The directors during the year under review were:

S Azeem
M Cook
A Din

The beneficial interests of the directors holding office on 28 February 2005 in the issued share capital of the company were as follows:

	28.2.05	1.3.04
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 28 February 2005

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: 16 / 8 / 05

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 28 February 2005 on pages six to twelve. 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 28 February 2005 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 Auditors
Albury Mill, Mill Lane
Chilworth
Guildford
Surrey, GU4 8RT

Date: *16 August 2005*

A & P COMPUTERS LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 28 February 2005

	Notes	2005 £	2004 £
TURNOVER	2	5,150,110	6,371,819
Cost of sales		(4,356,723)	(5,108,649)
GROSS PROFIT		793,387	1,263,170
Administrative expenses		(727,515)	(948,473)
OPERATING PROFIT	3	65,872	314,697
Bad debts	4	-	(189,250)
		65,872	125,447
Interest receivable and similar income		8,745	4,218
		74,617	129,665
Interest payable and similar charges		(730)	(1,095)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		73,887	128,570
Tax on profit on ordinary activities	5	(1,600)	-
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		72,287	128,570
Dividends	6	(41,600)	-
		30,687	128,570
Retained profit brought forward		498,126	369,556
RETAINED PROFIT CARRIED FORWARD		<u>£528,813</u>	<u>£498,126</u>

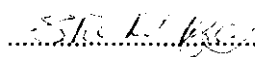
The notes form part of these financial statements

A & P COMPUTERS LIMITED**BALANCE SHEET****28 February 2005**

	Notes	2005 £	2004 £
FIXED ASSETS:			
Tangible assets	7	41,295	52,178
CURRENT ASSETS:			
Stock and work in progress		99,546	127,723
Debtors	8	2,025,440	999,770
Cash at bank		269,634	408,239
		<u>2,394,620</u>	<u>1,535,732</u>
CREDITORS: Amounts falling due within one year	9	<u>(1,905,875)</u>	<u>(1,044,393)</u>
NET CURRENT ASSETS:		<u>488,745</u>	<u>491,339</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:		530,040	543,517
CREDITORS: Amounts falling due after more than one year	10	(1,225)	(2,789)
PROVISIONS FOR LIABILITIES AND CHARGES:	12	-	(42,600)
		<u>£528,815</u>	<u>£498,128</u>
CAPITAL AND RESERVES:			
Called up share capital	13	2	2
Profit and loss account		528,813	498,126
SHAREHOLDERS' FUNDS:		<u>£528,815</u>	<u>£498,128</u>

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 on16/8/05.....

The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 28 February 2005

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 and services, 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.

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 2005

2. TURNOVER

The company's turnover and profit before taxation were all derived from its principal activity, 34% (2004: 51%) of which related to markets outside the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging:

	2005	2004
	£	£
Depreciation - owned assets	13,130	11,707
Loss on disposal of fixed assets	2,918	690
Auditors' remuneration	4,660	4,000
Pension costs	8,528	8,940
	<u>93,324</u>	<u>139,611</u>
Directors' emoluments and other benefits etc	<u>93,324</u>	<u>139,611</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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4. EXCEPTIONAL ITEMS

In the year to 29 February 2004 the company suffered irrecoverable trading debts of £189,250.

5. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the year was as follows:

	2005	2004
	£	£
Current tax:		
UK corporation tax	1,600	-
Tax on profit on ordinary activities	<u>1,600</u>	<u>-</u>

UK corporation tax has been charged at 19% (2004 - 19%).

As at 28 February 2005 the company had trading losses of approximately £36,000 (2004: £110,000) to carry forward against future trading profits.

A & P COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2005

6. DIVIDENDS

	2005 £	2004 £
Interim dividends paid	<u>41,600</u>	<u>-</u>

7. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
At 1 March 2004	133,293
Additions	5,508
Disposals	<u>(8,643)</u>
At 28 February 2005	<u>130,158</u>
DEPRECIATION:	
At 1 March 2004	81,115
Charge for year	13,130
Eliminated on disposals	<u>(5,382)</u>
At 28 February 2005	<u>88,863</u>
NET BOOK VALUE:	
At 28 February 2005	<u>41,295</u>
At 29 February 2004	<u>52,178</u>

The net book value of plant and machinery includes £10,008 (2004: £13,623) in respect of assets held under finance leases and hire purchase contracts. The amount of depreciation in respect of such assets amounted to £3,336 for the year (2004: £3,375).

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005 £	2004 £
Trade debtors	1,745,552	916,288
Other debtors	279,888	83,482
	<u>2,025,440</u>	<u>999,770</u>

A & P COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2005

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2005	2004
	£	£
Hire purchase contracts	4,044	8,139
Trade creditors	1,780,505	972,909
Other creditors	108,166	38,507
Social security & other taxes	11,560	24,838
Taxation	1,600	-
	<u>1,905,875</u>	<u>1,044,393</u>

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2005	2004
	£	£
Hire purchase contracts	<u>1,225</u>	<u>2,789</u>

11. OPERATING LEASE COMMITMENTS

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

	2005	2004
	£	£
Expiring:		
Within one year	50,000	-
Between one and five years	-	50,000
	<u>50,000</u>	<u>50,000</u>

12. PROVISIONS FOR LIABILITIES AND CHARGES

	2005	2004
	£	£
Warranty claims provisions	<u>-</u>	<u>42,600</u>

	Warranty claims £
Balance at 1 March 2004	42,600
Transferred to profit and loss	(42,600)
Balance at 28 February 2005	<u>-</u>

A & P COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 28 February 2005

13. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2005	2004
Number:	Class:		£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>

Allotted, issued and fully paid:		Nominal value:	2005	2004
Number:	Class:		£	£
2	Ordinary	£1	<u>2</u>	<u>2</u>

14. TRANSACTIONS WITH DIRECTORS

Included within other creditors is a balance of £9,393 (2004: Nil) owing to S Azeem on his director's current account.

15. RELATED PARTY DISCLOSURES

During the year, sales of £6,833 (2004: £5,927) were made to Walton Marina Limited during the ordinary course of business. M Cook is a director of Walton Marina Limited. At 28 February 2005, Walton Marina Limited owed A & P Computers Limited Nil (2004: £529).

During the year, sales of £86,505 (2004: Nil) were made to Anycall Limited in the ordinary course of business. Anycall Limited occupied part of the premises as from 1 May 2004 but no rent of a value of £7,500 has yet been charged. S Azeem is a director and shareholder of that company.

16. DEFERRED TAXATION

As at 28 February 2005, there is a deferred tax asset of approximately £8,000 (2004: £21,000). No deferred tax asset has been recognised in these Accounts on the basis that there is insufficient evidence when the asset will be recoverable.