

MSE (CONSULTANTS) LIMITED  
COMPANY No. 02414457  
ENGLAND AND WALES

FINANCIAL STATEMENTS  
For the year ended 31 January 2003



M S E (CONSULTANTS) LIMITED  
INDEX TO THE FINANCIAL STATEMENTS

	Page (s)
Company Information	2
Report of the Director	3
Profit and Loss Account	4
Balance Sheet	5-6
Notes to the Financial Statements	7-11

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Page 11 does not form part of the statutory accounts

**MSE (CONSULTANTS) LIMITED**

**COMPANY INFORMATION**

**DIRECTOR:** Dr M S Akhtar

**SECRETARY:** Mrs J S Akhtar

**REGISTERED OFFICE:** 11 Regent Place  
Rugby  
Warwickshire  
CV21 2PJ

**REGISTERED NUMBER:** 02414457  
England and Wales

**BANKERS:** Natwest Bank plc  
North Street  
Rugby  
CV21 2FB

**MSE (CONSULTANTS) LIMITED**

**REPORT OF THE DIRECTOR FOR THE YEAR ENDED 31 JANUARY 2003**

The director presents his report and financial statements for the year ended 31 January 2003.

**PRINCIPAL ACTIVITIES**

The company's principal activity continues to be that of engineering and consultancy services.

**DIRECTOR**

The director who served the company during the year and his beneficial interest in the company's issued share capital was:

**Ordinary shares of £1 each**  
**31 January 2003      1 February 2002**

Dr M S Akhtar	1,600	1,600
Mrs J S Akhtar	400	400

**SMALL COMPANY RULES**

This report, which has been prepared taking advantage of special exemptions applicable to small companies, was approved by the board on 26 May 2003 and signed on its behalf.

**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 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 judgments and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

**SMALL COMPANY RULE**

In preparing the above report, the director has taken advantage of special exemptions applicable to small companies provided by Part VII of the Companies Act 1985.

**SIGNED ON BEHALF OF**  
**THE BOARD OF DIRECTORS**

PP *M. S Akhtar*  
Mrs J S Akhtar  
Secretary

MSE (CONSULTANTS) LIMITED

PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 JANUARY 2003

		2003 £	2002 £
TURNOVER	1	326,929	369,414
Administrative expenses		(276,232)	(308,590)
		<hr/>	<hr/>
OPERATING PROFIT	4	50,697	60,824
Net interest received/(payable)	5	(11,440)	(9,578)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		39,257	51,246
TAXATION ON PROFIT ON ORDINARY ACTIVITIES	6	3,112	(5,082)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		£42,369	£46,164
DIVIDENDS		(8,050)	(48,000)
		<hr/>	<hr/>
RETAINED PROFIT FOR THE PERIOD		£34,319	(£1,836)
RETAINED PROFIT BROUGHT FORWARD		27,046	28,882
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		61,365	27,046
		=====	=====

The notes from pages 6 to 10 form part of these financial statements

MSE (CONSULTANTS) LIMITED

BALANCE SHEET AS AT 31 JANUARY 2003

			2003	2002
		£	£	£
	Note			
FIXED ASSETS:				
Intangible Assets	7	208,772	155,702	
Tangible Assets	8	25,232	26,207	
		<u>234,004</u>	<u>181,909</u>	
CURRENT ASSETS:				
Stock		12,750	34,500	
Debtors	9	38,053	33,853	
Cash at bank and in hand		883	280	
		<u>51,686</u>	<u>68,633</u>	
CREDITORS: amounts falling due within one year	10	(97,110)	(88,316)	
		<u>(45,424)</u>	<u>(19,683)</u>	
NET CURRENT ASSETS/(LIABILITIES)				
		(45,424)	(19,683)	
CREDITORS: amounts falling due after more than one year		(125,215)	(133,180)	
		<u>£63,365</u>	<u>£29,046</u>	
NET ASSETS				
		=====	=====	
CAPITAL AND RESERVES				
Called up share capital	12	2,000	2,000	
Profit and loss account		61,365	27,046	
		<u>£63,365</u>	<u>£29,046</u>	
SHAREHOLDERS' FUNDS				
		=====	=====	

BALANCE SHEET AS AT 31 JANUARY 2003

The director considers that the company is entitled to exemption from the requirement to have an audit under the provision of section 249A (1) of the Companies Act 1985 and no notice requiring an audit has been deposited under section 249B (2) of the Act. The director acknowledges his responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 January 2003 and of its profit 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 financial statements so far as applicable to the company.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (Effective March 1999).



Dr M S Akhtar

(Director)

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 JANUARY 2003**

**1 ACCOUNTING POLICIES****a) Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities and include the results of the company's operations which are described in the Director's Report.

**b) Turnover**

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax.

**c) Tangible and Intangible fixed assets and depreciation**

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Equipment	20%
Software development costs	5%

**d) Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

**e) Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Assets and liabilities in foreign currencies are translated into Sterling at rates of exchange ruling at the end of the financial year. All exchange differences are dealt with in the profit and loss account.

**2 SOFTWARE DEVELOPMENT COSTS**

The director has capitalised £64,070 of direct costs as software development costs in the accounting period ended 31 January 2003.

**3 TURNOVER**

The company has derived 8.2% (2002 6.4%) of its turnover from supplying geographical markets outside the UK.

**4 OPERATING PROFIT**

	2003	2002
	£	£

The operating profit is stated after charging:

Depreciation: Owned tangible and intangible fixed assets	17,150	23,700
Exceptional items: Bad debts written off	16,000	-
	=====	=====



**MSE (CONSULTANTS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2003**

<b>5</b>	<b>NET INTEREST PAYABLE AND RECEIVABLE</b>	<b>2003</b>	<b>2002</b>
		£	£
	Interest payable and similar charges:		
	Bank overdraft and loan interest	(11,442)	(9,793)
		<hr/>	<hr/>
		(£11,442)	(£9,793)
	Interest receivable and similar income	2	215
		<hr/>	<hr/>
		(£11,440)	(£9,578)
		<hr/>	<hr/>
<b>6</b>	<b>TAX ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>2003</b>	<b>2002</b>
		£	£
	Corporation tax based on the profit for the year at the rate of 19% (2002 : 20%)	-	5,082
	Overprovision: previous years	(3,112)	-
		<hr/>	<hr/>
		(3,112)	5,082
		<hr/>	<hr/>
<b>7</b>	<b>INTANGIBLE ASSETS</b>		
	<b>Cost</b>		
	Software development costs at 1 February 2002		196,567
	Additions		64,070
			<hr/>
	At 31 January 2003		260,637
	<b>Depreciation</b>		
	Balance at 1 February 2002		(40,865)
	Charge for the year		(11,000)
			<hr/>
	At 31 January 2003		(51,865)
	<b>Net book value</b>		
	At 31 January 2003		208,772
			<hr/>
	At 1 February 2002		155,702
			<hr/>

**MSE (CONSULTANTS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2003**

**8 TANGIBLE ASSETS**

	<b>FIXTURES &amp; EQUIP.</b>	<b>TOTAL</b>
<b>Cost</b>	£	£
At 1 February 2002	93,109	93,109
Additions	5,175	5,175
	<hr/>	<hr/>
At 31 January 2003	98,284	98,284
	<hr/>	<hr/>
<b>Depreciation</b>		
At 1 February 2002	66,902	66,902
Charge for the year	6,150	6,150
	<hr/>	<hr/>
At 31 January 2003	73,052	73,052
	<hr/>	<hr/>
<b>Net book values</b>		
At 31 January 2003	£25,232	£25,232
	=====	=====
At 1 February 2002	£26,207	£26,207
	=====	=====

**9 DEBTORS**

	<b>2003</b>	<b>2002</b>
	£	£
Due within one year		
Trade debtors	38,053	33,853
	<hr/>	<hr/>
	£38,053	£33,853
	=====	=====

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>2003</b>	<b>2002</b>
	£	£
Bank overdraft and loans	31,096	36,071
Trade Creditors	9,265	9,528
Accruals	3,500	-
Corporation Tax	-	5,082
Other taxation	25,731	19,332
Director's loan account	27,518	18,303
	<hr/>	<hr/>
	£97,110	£88,316
	=====	=====

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	<b>2003</b>	<b>2002</b>
Bank loans	125,215	133,180
	=====	=====

**MSE (CONSULTANTS) LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JANUARY 2003**

12	<b>CALLED UP SHARE CAPITAL</b>	<b>2003</b>	<b>2002</b>
		£	£
	<b>Authorised:</b>		
	5,000 ordinary shares of £1 each	£5,000	£5,000
		=====	=====
	<b>Called up, allotted and fully paid:</b>		
	2,000 ordinary shares of £1 each	£2,000	£2,000
		=====	=====

13	<b>TRANSACTION WITH THE DIRECTOR</b>		
	<b>Director's loan account</b>	<b>2003</b>	<b>2002</b>
		£	£
	Balance due to the director at 1 February	27,518	18,272

The number of directors during the current and preceding year was one and the maximum liability during the year was £Nil (2002 £Nil). The above balance due to the director on the loan account is unsecured and interest free and is repayable on demand.

- 14 **ULTIMATE CONTROL**
- The company is under the joint control of Dr M S Akhtar and Mrs J Akhtar who own 80% and 20% of the issued share capital respectively.

**MSE (CONSULTANTS) LIMITED**  
**DETAILED PROFIT AND LOSS ACCOUNT**  
**FOR THE YEAR ENDED 31 JANUARY 2003**

	<b>2003</b>		<b>2002</b>	
	£	£	£	£
Work done		326,929		369,414
<b>ADMINISTRATIVE EXPENSES</b>				
Staff salaries	141,995		138,101	
Staff recruitment expenses	1,950		9,301	
Travelling expenses	20,004		19,058	
Air fare	8,542		10,453	
Sales, marketing & advertising	1,327		33,592	
Rent	15,951		19,206	
Removal expenses	-		223	
Heating and light	2,121		894	
General and water rates	3,109		3,267	
Insurances	3,543		4,717	
Printing, stationery and posta	8,397		4,659	
Computer expenses	1,508		5,509	
Carriage and freight	-		57	
Telephone and fax	3,742		2,972	
Repairs and maintenance	-		614	
Accountancy and book-keeping	5,070		4,739	
Consultancy fees	17,717		22,515	
Professional subscriptions & magazines	1,457		470	
Bad debts written off (Enron)	16,000		-	
Cleaning and hygiene	1,950		1,825	
Sundry expenses	1,595		578	
Staff welfare (canteen)	425		375	
Lease rental	904		298	
Bank charges	1,775		1,467	
Depreciation	17,150		23,700	
	<u>£276,232</u>		<u>£308,590</u>	
		50,697		60,824
<b>OPERATING PROFIT</b>		50,697		60,824
OTHER INTEREST RECEIVABLE AND SIMILAR INCOME		-		215
		50,697		61,039
INTEREST PAYABLE				
Bank overdraft and loan interest	(11,440)		(9,793)	
		(11,440)		(9,793)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<u>£39,257</u>		<u>£51,246</u>
		=====		=====

This page does not form part of the statutory financial statements