

ANNUAL REPORT & FINANCIAL STATEMENTS

YEAR ENDED 5 APRIL 2003

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Retail Systems Consultancy Limited

Officers & Professional Advisers

Director

A M Tutt

Secretary

Mrs A K Tutt

Registered Office

9 Appleby Avenue
Scotton Gates
Ripley Road
Knaresborough
HG5 9LZ

Registration Number

03196232

Accountants

Bulmer & Co
Certified Accountants
2 Mount Parade
Harrogate
HG1 1BX

Bankers

Flemings
Save & Prosper
16-22 Western Road
Romford
RM1 3SP

Retail Systems Consultancy Limited

Director's Report

The Director presents his report and financial statements for the year ended 5 April 2003.

1. Activities, Review of the Business and Future Development

The principal activity of the company is that of computer consultancy services, hardware sales and website design. Turnover and profitability have been satisfactory during the year and the director is confident that this level of activity will be maintained in the future.

2. Results, Dividends and Movements in Reserves

The results are shown in the Profit and Loss Account and supporting notes.

A dividend of £310 per share was paid on 31 March 2003.

Movements in reserves are shown in the notes to the financial statements.

3. Fixed Assets

Changes in fixed assets are summarised in the notes to the financial statements.

4. Directors and their Interests

The present composition of the Board is set out on page 2.

The director who held office during the year and his interests (including family interests) in the shares of the company are as set out below:-

	<u>£1 Ordinary Shares</u>	
	5.4.03	5.4.02
A M Tutt	25	50
Mrs A Tutt	75	50

No director has a material interest in any contract with the company. The director continues in office in accordance with the Articles of Association.

5. Statement of Director's Responsibilities in Respect of the Accounts

Company law requires the director to prepare Accounts 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 for that year. In preparing those Accounts, the director is required to:-

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

The director is 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 Accounts comply with the Companies Act. 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.

Retail Systems Consultancy Limited

Director's Report

6. Close Company

In the opinion of the director, the company is a Close Company within the definition of the Income & Corporation Taxes Act 1988 (Section 414). The director considers that no liability will arise under the provisions of Section 423 of that Act. *There has been no change in this respect since the end of the financial year.*

7. Going Concern and Financial Reporting


The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, he continues to adopt the going concern basis in preparing the financial statements.

8. Small Company

In preparing the above report the director has taken advantage of special exemptions applicable to small companies under the provisions of Sections 247-249 of the Companies Act 1985.

By Order of the Board

A K Tutt
Secretary



19 September 2003

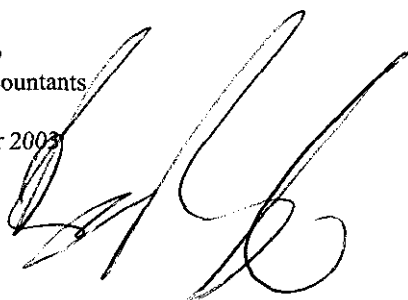
Retail Systems Consultancy Limited

Accountant's Report to the Members

We have prepared the annexed financial statements for the year ended 5 April 2003 from the accounting records presented to us and the information and explanations given to us. We have reviewed the financial statements. The review consisted primarily of enquiry, comparison and discussion of the financial statements and of the information and explanations given to us. We have not carried out an audit.

Bulmer & Co
Certified Accountants

20 September 2003



Retail Systems Consultancy Limited

Profit and Loss Account

Year Ended 5 April 2003

	Note	2003	2002
Turnover – Continuing Activities	2	191,834	188,553
Cost of Sales		37,252	39,150
Gross Profit		154,582	149,403
Operating Expenses	3	92,886	142,984
Operating Profit - Continuing Activities	4	61,696	6,419
Interest Payable	5	1,049	2,512
Interest Receivable		311	438
Profit on Ordinary Activities Before Taxation		60,958	4,345
Taxation	7	11,346	-
Profit on Ordinary Activities After Taxation		49,612	4,345
Dividends		31,000	7,400
Profit/(Loss) Carried Forward		18,612	(3,055)

There were no acquisitions or discontinued operations in this or the preceding year.

There were no recognised gains or losses in 2003 or 2002 other than the profit for the year.

The accompanying accounting policies and notes form an integrated part of these financial statements.

Retail Systems Consultancy Limited

Balance Sheet

Year Ended 5 April 2003

	Note	2003	2002
Fixed Assets			
Tangible Assets	8	14,771	18,329
Current Assets			
Stock		-	260
Cash at Bank		20,714	3,028
Debtors	9	19,572	4,425
		<u>40,286</u>	<u>7,713</u>
Creditors: Amounts Falling Due Within Year	10a	22,298	7,962
		<u>22,298</u>	<u>7,962</u>
Net Current Liabilities		17,988	(249)
		<u>32,759</u>	<u>18,080</u>
Creditors: Amounts Falling Due After One Year	10b	10,089	13,874
		<u>22,670</u>	<u>4,206</u>
Provision for Liabilities & Charges	11	10	158
Total Assets Less Current Liabilities		<u>22,660</u>	<u>4,048</u>
Capital and Reserves			
Called up Share Capital	12	100	100
Profit and Loss Account	13	22,560	3,948
Equity Shareholders' Funds		<u>22,660</u>	<u>4,048</u>

The directors have taken advantage of special provisions conferred by Part VII of the Companies Act 1985 applicable to small companies.

The Company was entitled to exemption under S.249A(1) of the Companies Act 1985. No notice has been deposited under S.249B(2) and we acknowledge our responsibilities for ensuring that the Company keeps accounting records which comply with S.221, and preparing Accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of its profit or loss for the financial year under S.226, and which otherwise comply with the requirements of the Companies Act 1985 relating to Accounts, so far as applicable to the Company.

Approved by the Board - 19 September 2003

A Tutt - Director



The notes on pages 8 – 11 form part of these financial statements

Retail Systems Consultancy Limited

Notes to the Financial Statements

Year Ended 5 April 2003

1 Accounting Policies

a) Accounting Convention

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

b) Turnover

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

c) Tangible Fixed Assets & 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: -

Office Equipment	25% reducing balance
Motor Vehicle	25% reducing balance

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) Stock

Stock is stated at the lower of cost and net realisable value. Stock comprises of goods for resale

2 Segmental Information	2003	2002
Consultancy	134,803	113,227
Hardware Sales & Website	57,031	75,326

3 Operating Expenses

Distribution Costs	15,439	3,604
Administration Expenses	82,654	139,380
	<u>98,093</u>	<u>142,984</u>

4 Operating Profit

The operating profit is stated after charging: -

Depreciation of Assets held under Hire Purchase Contracts	3,403	4,537
Loss on Sale of Vehicles	-	2,384
Depreciation of Tangible Fixed Assets	-	1,572
Accountants' Remuneration	475	450
Staff Costs (5)	58,422	102,641

Retail Systems Consultancy Limited

Notes to the Financial Statements

Year Ended 5 April 2003

5 Interest Payable

Hire Purchase Interest	1,047	2,510
Bank Overdraft	2	2
	<u>1,049</u>	<u>2,512</u>

6 Directors & Employees

	2003	2002
a) Average number of persons employed during the year including directors	<u>2</u>	<u>2</u>
Number of Directors	<u>1</u>	<u>1</u>
b) Employment costs were as follows :-		
Staff Costs	3,300	3,300
Social Security Costs	4,822	12,236
c) Director's remuneration for the year including pension costs	<u>50,300</u>	<u>87,105</u>
d) Estimated benefits in kind for the year	<u>4,269</u>	<u>374</u>

7 Taxation

Current Year Taxation	11,494	-
Deferred Tax	(148)	-
	<u>11,346</u>	<u>-</u>

Retail Systems Consultancy Limited

Notes to the Financial Statements

Year Ended 5 April 2003

8 Tangible Assets

	Equipment	Motor Vehicle	Total
Cost			
As at 5 April 2002	11,470	18,149	29,619
Additions	1,366	-	1,366
	<u> </u>	<u> </u>	<u> </u>
At 5 April 2003	12,836	18,149	30,985
	<u> </u>	<u> </u>	<u> </u>
Depreciation			
Depreciation at 5 April 2002	6,753	4,537	11,290
Charge for the Year	1,521	3,403	4,924
	<u> </u>	<u> </u>	<u> </u>
At 5 April 2003	8,274	7,940	16,214
	<u> </u>	<u> </u>	<u> </u>
Net Book Value			
At 5 April 2003	4,562	10,209	14,771
	<u> </u>	<u> </u>	<u> </u>
At 5 April 2002	4,717	13,612	18,329
	<u> </u>	<u> </u>	<u> </u>
Items Held Under Hire Purchase Contract - Depreciation		3,403	3,403
		<u> </u>	<u> </u>
- Book Value		10,209	10,209
		<u> </u>	<u> </u>

9 Debtors

	2003	2002
Trade Debtors	12,747	1,800
Loan to Retail Systems Resourcing Ltd	6,625	2,625
Equation Systems Ltd	200	-
	<u> </u>	<u> </u>
	19,572	4,425
	<u> </u>	<u> </u>

10a Creditors: Amounts Falling Due Within One Year

Director's Current Account	85	93
Hire Purchase Account	3,599	4,275
Corporation Tax	11,494	-
Creditors & Accruals	3,548	3,594
Other Taxation & Social Security Costs	3,572	-
	<u> </u>	<u> </u>
	22,298	7,962
	<u> </u>	<u> </u>

10b Creditors: Amounts Falling Due After One Year

Hire Purchase Accounts	10,088	13,874
	<u> </u>	<u> </u>

Hire Purchase Accounts are secured on Motor Vehicle

Retail Systems Consultancy Limited

Notes to the Financial Statements

Year Ended 5 April 2003

11 Provision for Liabilities & Charges

2003

2002

Deferred Taxation – Accelerated Capital Allowances

10

158

Provision as at 6 April 2002

158

-

Charged at Profit & Loss Account

(148)

158

As at 5 April 2003

10

158

12 Called Up Share Capital

Authorised

1,000 Ordinary Shares of £1 Each

1,000

1,000

Allotted, Issued & Fully Paid

100 Ordinary Shares of £1 Each

100

100

13 Reconciliation of Movements on Shareholder's Funds

As at 6 April

3,948

7,003

Profit for the Year

18,612

(3,055)

As at 5 April

22,560

3,948

14 Related Party Transaction

The director's current account was in credit at the year end by £93. Retail Systems Resourcing Ltd, a company which Mr Tutt is a director and shareholder, owes the company £6,625, this amount will be repaid when Retail Systems Resourcing Ltd has enough cash resources. Equater Sytems Ltd, a company Mr Tutt is a director of owes the company £200 re formation expenses.