

REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER 2003
FOR
SERION SOLUTIONS LIMITED

3237101



SERION SOLUTIONS LIMITED

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FOR THE YEAR ENDED 31ST DECEMBER 2003

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SERION SOLUTIONS LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31ST DECEMBER 2003

| | |
|---------------------------|--|
| DIRECTORS: | L L D Rates D P Wyeth |
| SECRETARY: | L Rates |
| REGISTERED OFFICE: | Serion House Knowl Hill Woking Surrey GU22 7HL |
| REGISTERED NUMBER: | 3237101 (England and Wales) |
| ACCOUNTANTS: | Brine & Co Chartered Accountant PO Box 6210 Leighton Buzzard Bedfordshire LU7 0ZN |

SERION SOLUTIONS LIMITED

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31ST DECEMBER 2003

The directors present their report with the financial statements of the company for the year ended 31st December 2003.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the supply of Computer Hardware and Software Consultancy Services.

DIRECTORS

The directors during the year under review were:

L L D Rates


D P Wyeth

Serion Solutions Limited is owned 100% by Serion Systems Limited, the directors of Serion Solutions Limited have the following beneficial interests in the share capital of Serion Systems Limited

| | | |
|----------------------|------------|------------|
| Ordinary B £1 shares | 31-12-2003 | 31-12-2002 |
| L L D Rates | 900 | 900 |
| D P Wyeth | 233 | 233 |

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:



L Rates - Secretary

Date: 25-10-2004

SERION SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER 2003

| | | <u>31.12.03</u> | <u>31.12.02</u> |
|--|-------|-----------------|-----------------|
| | Notes | £ | £ |
| TURNOVER | | 413,683 | 376,272 |
| Cost of sales | | 153,521 | 118,961 |
| GROSS PROFIT | | 260,162 | 257,311 |
| Administrative expenses | | 256,817 | 256,976 |
| OPERATING PROFIT | 2 | 3,345 | 335 |
| Interest receivable and similar income | | 969 | 844 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 4,314 | 1,179 |
| Tax on profit on ordinary activities | 3 | 203 | 56 |
| PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | 4,111 | 1,123 |
| Retained profit brought forward | | 17,173 | 16,050 |
| RETAINED PROFIT CARRIED FORWARD | | <u>£21,284</u> | <u>£17,173</u> |

The notes form part of these financial statements

SERION SOLUTIONS LIMITED

**BALANCE SHEET
31ST DECEMBER 2003**

| | | 31.12.03 | | 31.12.02 | |
|---|-------|----------------|-----------------------|----------------|-----------------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS: | | | | | |
| Tangible assets | 4 | | 12 | | 48 |
| CURRENT ASSETS: | | | | | |
| Stocks | | 2,600 | | 18,934 | |
| Debtors | 5 | 150,944 | | 97,310 | |
| Cash at bank | | 6,516 | | 123,608 | |
| | | <u>160,060</u> | | <u>239,852</u> | |
| CREDITORS: Amounts falling due within one year | 6 | <u>136,788</u> | | <u>220,727</u> | |
| NET CURRENT ASSETS: | | | <u>23,272</u> | | <u>19,125</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES: | | | <u><u>£23,284</u></u> | | <u><u>£19,173</u></u> |
| CAPITAL AND RESERVES: | | | | | |
| Called up share capital | 7 | | 2,000 | | 2,000 |
| Profit and loss account | | | 21,284 | | 17,173 |
| SHAREHOLDERS' FUNDS: | | | <u><u>£23,284</u></u> | | <u><u>£19,173</u></u> |

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31st December 2003.

The members have not required the company to obtain an audit of its financial statements for the year ended 31st December 2003 in accordance with Section 249B(2) of the Companies Act 1985.


The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

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:


.....
L L D Rates - Director


.....
D P Wyeth - Director

Approved by the Board on 25-10-2004

The notes form part of these financial statements

SERION SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003

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 - 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.

2. OPERATING PROFIT

The operating profit is stated after charging:

| | 31.12.03 | 31.12.02 |
|--|-------------------|-------------------|
| | £ | £ |
| Depreciation - owned assets | - | 380 |
| | <u> </u> | <u> </u> |
| Directors' emoluments and other benefits etc | 37,025 | 6,696 |
| | <u> </u> | <u> </u> |

3. TAXATION

UK Corporation Tax has been charged on a proportion of profits at 0% (2002 -10%).

4. TANGIBLE FIXED ASSETS

| | Plant and machinery |
|-------------------------|------------------------|
| | £ |
| COST: | |
| At 1st January 2003 | 2,449 |
| Disposals | (2,079) |
| | <u> </u> |
| At 31st December 2003 | 370 |
| | <u> </u> |
| DEPRECIATION: | |
| At 1st January 2003 | 2,402 |
| Eliminated on disposals | (2,044) |
| | <u> </u> |
| At 31st December 2003 | 358 |
| | <u> </u> |
| NET BOOK VALUE: | |
| At 31st December 2003 | 12 |
| | <u> </u> |
| At 31st December 2002 | 48 |
| | <u> </u> |

SERION SOLUTIONS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER 2003**

**5. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

| | 31.12.03 £ | 31.12.02 £ |
|---------------------------------------|----------------|---------------|
| Trade debtors | 32,774 | 73,764 |
| Amounts owed by group undertakings | 118,170 | 23,546 |
| | <u>150,944</u> | <u>97,310</u> |

**6. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

| | 31.12.03 £ | 31.12.02 £ |
|-------------------------------------|----------------|----------------|
| Trade creditors | 17,876 | 14,554 |
| Other creditors | 695 | 24 |
| Deferred income | 92,211 | 85,946 |
| V.A.T. | 7,238 | 10,759 |
| Amount due to group undertakings | - | 92,873 |
| Work billed in advance | 18,030 | 14,895 |
| Taxation | 203 | 56 |
| Accrued expenses | 535 | 1,620 |
| | <u>136,788</u> | <u>220,727</u> |

7. CALLED UP SHARE CAPITAL

| | | | | |
|----------------------------------|----------|-------------------|---------------|---------------|
| Authorised: | | | | |
| Number: | Class: | Nominal value: | 31.12.03 £ | 31.12.02 £ |
| 10,000 | Ordinary | 1 | <u>10,000</u> | <u>10,000</u> |
| Allotted, issued and fully paid: | | | | |
| Number: | Class: | Nominal value: | 31.12.03 £ | 31.12.02 £ |
| 2,000 | Ordinary | 1 | <u>2,000</u> | <u>2,000</u> |

8. ULTIMATE PARENT COMPANY

The ultimate Holding Company is Serion Systems Limited. The controlling party is L L D Rates by virtue of his ownership of 67.52% of the issued share capital in Serion Systems Limited.

9. TRANSACTIONS WITH DIRECTORS

The company purchased services to the value of £nil (2002 £11256) from a Partnership in which L L D Rates has a material interest.

10. RELATED PARTY DISCLOSURES

During the year Serion Systems Limited supplied services in the value of £247831 (2002 £183754), and goods in the value of £2684 (2002 £3195) to Serion Solutions Ltd. Serion Solutions Ltd provided services in the value of £nil (2002 £nil). The balance due by the company at 31-12-2003 was £118170 (2002 £92872). During the year the company purchased goods in the value of £nil (2002 £nil) for Serion Logic Ltd. Serion Logic Ltd purchased goods in the value of £nil (2002 £nil) for Serion Solutions Ltd. Serion Logic Ltd invoiced £nil (2002 £nil) on behalf of Serion Solutions Ltd. The balance due to the company at 31-12-2003 was £nil (2002 £23546).