

TACTICAL SOLUTIONS UK LIMITED

Auditors' Report to Tactical Solutions UK Limited under s.247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 2-5, together with the financial statements of Tactical Solutions UK Limited for the nine months ended 31st December 2004 prepared under s.226 of the Companies Act 1985.

Respective Responsibilities of Directors and Auditors

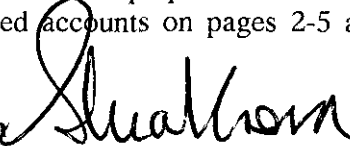
The directors are responsible for preparing the abbreviated accounts in accordance with s.246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts in accordance with s.246 (5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

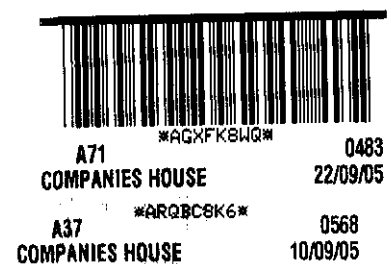
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with s.246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2-5 are properly prepared in accordance with those provisions.


Stuart Gordon
Chartered Accountant
Suite 3,
Capital House,
Speke Hall Road,
Hunts Cross
Liverpool,
L24 9GB

19th July 2005



TACTICAL SOLUTIONS UK LIMITED

ABBREVIATED BALANCE SHEET AS AT 31st DECEMBER 2004

		Nine Months Ended		Year Ended	
		<u>31.12.2004</u>		<u>31.3.2004</u>	
	Notes	£	£	£	£
Fixed assets					
Tangible Assets	2	312133		262746	
Current assets					
Debtors	3	682330		604901	
Cash at bank and in Hand		-		-	
		-----		-----	
		682330		604901	
Creditors : amounts falling due within one year	4	427856		635209	
		-----		-----	
Net current liabilities		254474		(30308)	
		-----		-----	
Total assets less current liabilities		566607		232438	
		-----		-----	
Creditors : amounts falling due after more than one year	5	(397147)		(89943)	
		-----		-----	
		169460		142495	
Provisions for liabilities and charges					
Deferred taxation		-		4205	
		-----		-----	
		169460		138290	
		=====		=====	
Capital and reserves					
Called up share capital	6	1000		100	
Profit and Loss Account		168460		138190	
		-----		-----	
Equity shareholders' funds		169460		138290	
		=====		=====	

The accounts are prepared in accordance with special provisions of Part VII of the Companies Act 1985 relating to small/medium companies.

L. A. Davidson
Director



TACTICAL SOLUTIONS UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31st DECEMBER 2004

1. Accounting policies

1.1 Basis of preparation of financial statements

The accounts have been prepared under the Historical Cost Convention and in accordance with applicable accounting standards.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of valued added tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost 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 estimated useful lives on the following bases:

Equipment, Fixtures and Fittings - 33 1/3% cost on a straight line basis

Motor Vehicles - 25% cost/WDV per annum on a reducing balance basis

1.4 Leasing and hire purchase contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.5 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability will crystallise in the near future.

TACTICAL SOLUTIONS UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS ENDED 31st DECEMBER 2004

2. Tangible fixed assets

	<u>Equipment Fixtures & Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
Cost			
At 31.3.2004	61109	368666	429775
Additions	25500	88669	114169
Disposals	(33619)	(5739)	(39358)
	-----	-----	-----
At 31.12.2004	52990	451596	504586
	=====	=====	=====
Depreciation			
At 31.3.2004	46898	120131	167029
Charge	9316	53249	62565
Disposals	(33619)	(3522)	(37141)
	-----	-----	-----
At 31.12.2004	22595	169858	192453
	=====	=====	=====
Net Book Value			
At 31.3.2004	14211	248535	262746
	=====	=====	=====
At 31.12.2004	30395	281738	312133
	=====	=====	=====

Included above are assets held under hire purchase contracts as follows:

	<u>Net Book Value</u>	
	<u>31.12.2004</u>	<u>31.3.2004</u>
Equipment, Fixtures and Fittings	-	-
Motor Vehicles	241298	184898

3. Debtors

	<u>31.12.2004</u>	<u>31.3.2004</u>
	<u>£</u>	<u>£</u>
Due after more than one year		
Due within one year:		
Trade debtors	679312	596426
Other debtors	900	-
Prepayments and accrued income	2118	8475
	-----	-----
	682330	604901
	=====	=====

TACTICAL SOLUTIONS UK LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

FOR THE NINE MONTHS 31st DECEMBER 2004

4. Creditors: amounts falling due within one year

	<u>31.12.2004</u>	<u>31.3.2004</u>
	£	£
Trade Creditors	120008	53836
Corporation Tax	18816	1061
Other taxes and social security costs	70079	117500
Accruals and deferred income	38400	4000
Directors Current Accounts	1745	2085
Bank Loans and Overdrafts	72358	356127
Current Installments due on Hire Purchase Liabilities	106450	100600
	-----	-----
	427856	635209
	=====	=====

The bank overdraft is secured by the personal guarantee of the director.

The hire purchase contracts are secured on the assets concerned.

5. Creditors: amounts falling due after more than one year

	<u>31.12.2004</u>	<u>31.3.2004</u>
	£	£
Hire Purchase Liabilities	97147	89943
Bank Loans	300000	-
	-----	-----
	397147	89943
	=====	=====

The hire purchase contracts are secured on the assets concerned.

6. Share Capital

Authorised	<u>31.12.2004</u>	<u>31.3.2004</u>
Ordinary shares of £1 each	40000	100
A Ordinary shares of £1 each	5000	-
B Ordinary shares of £1 each	5000	-
	-----	-----
	50000	100
	=====	=====
 Allotted, called up and fully paid		
Ordinary shares of £1 each	800	100
A Ordinary shares of £1 each	100	-
B Ordinary shares of £1 each	100	-
	-----	-----
	1000	100
	=====	=====