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M&O Business Systems Limited

Annual Report and Accounts

2004



M&O Business Systems Limited

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Registered number 1317353

M&O Business Systems Limited

Directors' report

The directors present their annual report together with the audited financial statements for the 52 weeks ended 28 March 2004 (2003: 65 weeks ended 30 March 2003).

Principal activity and business review

The company did not trade during the period under review.

Results and dividends

The results for the period are set out in the profit and loss account on page 6.

The directors do not recommend the payment of a dividend (2003: £Nil).

Directors and their interests

The directors who held office during the period and their interests in the share capital of the company at 28 March 2004 were as follows:-

	Ordinary shares	
	28 March 2004	30 March 2003
D P Dodd	Nil	Nil
G Oldridge	300	300
R F Adams	<u>Nil</u>	<u>Nil</u>

There have been no changes in the directors or their interests since the period end.

Auditors

KPMG LLP have expressed their willingness to continue in office as auditors and in accordance with section 384 of the Companies Act a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

By order of the board.



R F Adams
Director

Wellmans Road
Willenhall
West Midlands
WV13 2QT

28 April 2004

M&O Business Systems Limited

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial period 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;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that the financial statements comply with the above requirements.

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.

M&O Business Systems Limited

Independent auditors' report to the members of M&O Business Systems Limited

We have audited the financial statements on pages 6 to 9.

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 auditor's 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

The directors are responsible for preparing the directors' report and, as described on page 4, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

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 directors' report 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 other information accompanying the financial statements and consider whether it is consistent with those statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 28 March 2004 and of its result for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG LLP

KPMG LLP
Chartered Accountants
Registered Auditor

2 Cornwall Street
Birmingham
B3 2DL
United Kingdom

28 April 2004

M&O Business Systems Limited

Profit and loss account

For the 52 weeks ended 28 March 2004 (65 weeks ended 30 March 2003)

	<i>Note</i>	2004 £	2003 £
Turnover		-	-
Cost of sales		-	-
		<hr/>	<hr/>
Gross profit		-	-
Distribution costs		-	-
Administrative expenses		-	(442)
		<hr/>	<hr/>
Operating loss		-	(442)
Net interest payable	4	-	(37)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	2	-	(479)
Tax on loss on ordinary activities		-	-
		<hr/>	<hr/>
Retained loss for the financial period	9	-	(479)
		<hr/>	<hr/>

There were no recognised gains or losses in the period other than those reported in the profit and loss account.

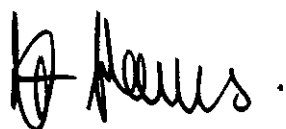
M&O Business Systems Limited

Company balance sheet

As at 28 March 2004 (30 March 2003)

	<i>Note</i>	2004 £	2003 £
Current assets			
Cash at bank and in hand		-	100
		<hr/>	<hr/>
		-	100
Creditors: amounts falling due within one year	6	(116,821)	(116,921)
		<hr/>	<hr/>
Net Liabilities		(116,821)	(116,821)
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	7	2,400	2,400
Profit and loss account	8	(119,221)	(119,221)
		<hr/>	<hr/>
Total equity shareholders' funds	9	(116,821)	(116,821)
		<hr/>	<hr/>

The financial statements were approved by the Board of Directors on 28 April 2004 and signed on its behalf by:-



R F Adams
Director

M&O Business Systems Limited

Notes to the financial statements

(for the 52 weeks ended 28 March 2004)

1. Principal accounting policy

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements except as noted below.

Basis of Accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable Accounting Standards.

2. Operating loss

	2004 £	2003 £
The operating loss for the period is stated after charging the following:		
Auditors' remuneration	-	500

3. Staff numbers and costs

Excluding directors, no persons were employed by the company during the period, or preceding financial year.

4. Net interest payable

	2004 £	2003 £
Other interest payable and similar charges	-	37

5. Directors

Directors emoluments for the period were paid by another group company.

6. Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group companies	116,821	116,921
	<u>116,821</u>	<u>116,921</u>

M&O Business Systems Limited

Notes to the financial statements (continued)

7. Called up Share Capital

	2004 £	2003 £
<i>Authorised</i>		
100,000 ordinary shares of £1 each	10,000	10,000
<i>Allotted, called up and fully paid:</i>		
2,400 ordinary shares of £1 each	2,400	2,400

8. Reserves

	Profit and loss account £
At 31 March 2003	(119,221)
Results for the financial period	-
At 30 March 2004	(119,221)

9. Reconciliation of movements in shareholders' funds

	As at 28 March 2004 £	As at 30 March 2003 £
Loss for the financial period	-	(479)
Opening shareholders' funds	(116,821)	(116,342)
Closing shareholders' funds	(116,821)	(116,821)

10. Ultimate parent company

The company's ultimate parent company is Poundland Holdings Limited, a company incorporated in England and Wales. Copies of the financial statements for Poundland Holdings Limited are available from its registered office which is situated at Wellmans Road, Willenhall, West Midlands, WV13 2QT