

**MAGIC MAC SYSTEMS LIMITED**  
**170 BEATRICE STREET**  
**SWINDON**  
**WILTSHIRE**

**REGISTERED NUMBER**  
**2814341**



**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30TH APRIL 1998**

## MAGIC MAC SYSTEMS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 30TH APRIL 1998

Your directors have pleasure in presenting the company's financial statements for the year ended 30th April 1998 and reporting generally on the company's affairs in respect of the same period.

#### Principal Activities

The company's principal activity comprises the marketing of computer hardware.

#### Business Review

The company has experienced difficulties during the year with a sharp fall in demand and strong pressure on margins as computer prices have fallen dramatically. As a result the company has sustained a small loss but the directors hope to arrest this trend during the current year.

#### Directors

Details are given below of the directors of the company for the period under review together with a note of their beneficial interests in the securities of the company:

<u>Name</u>	<u>Ordinary Shares of £1 Each</u>	
	<u>1.5.97</u>	<u>30.4.98</u>
R.D.Armstrong	1	1
S.L.Armstrong	1	1
G.E.Packer	1	1

#### 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 or loss of the company for that period. In preparing the 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;
- Follow applicable accounting standards, 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 are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to 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.

## MAGIC MAC SYSTEMS LIMITED

### DIRECTORS' REPORT FOR THE YEAR ENDED 30TH APRIL 1998

#### Year 2000

As discussed at length in the media, many computers and microchips only recognise dates using the last two digits of the year and will therefore need to be modified or replaced to record the year 2000. Our business does not depend on a computerised accounting system to prepare the financial statements and record the transactions. However, we could be affected by the systems used by our suppliers and customers. As a result we could be at risk if other parties do not deal adequately with the year 2000 issue.

The directors have assessed the risks to our business resulting from the change to the year 2000. It is not envisaged that the company will suffer any cost in connection with its accounting systems, given that these are manually produced.

We have assessed the possibility of year 2000-related failures in our significant suppliers, all of whom inform us that they are already dealing with the problem.

It is impossible to guarantee that no year 2000 problems will remain. However, the directors feel that the company will be able to deal promptly with any failures that may occur.

The above report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By Order of the Board

x   
MRS S.A. PACKER

Secretary

## MAGIC MAC SYSTEMS LIMITED

### PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH APRIL 1998

	<u>Note</u>		1997 (8 months)
Turnover	2	84464	107274
Cost of Sales		(77281)	(87812)
Gross Profit		7183	19462
Distribution Costs		(971)	(810)
Administrative Costs		(7659)	(14095)
Operating (Loss) Profit	3	(1447)	4557
Taxation	4	—	(1077)
(Loss) Profit on Ordinary Activities after Taxation		(1447)	3480
Retained Profit Brought Forward		3480	-
		—	—
Retained Profit Carried Forward		<u>£2033</u>	<u>£3480</u>

#### Continuing Operations

None of the company's activities were acquired or discontinued during the above two financial periods.

#### Total Recognised Gains and Losses

The company has no recognised gains or losses other than the (loss) profit for the above two financial periods.

# MAGIC MAC SYSTEMS LIMITED

## BALANCE SHEET AS AT 30TH APRIL 1998

	<u>Note</u>		<u>1997</u>
<u>CURRENT ASSETS</u>			
Stock	5	2080	230
Debtors	6	2757	15902
Cash at Bank and in Hand		<u>5298</u>	<u>9209</u>
		<u>£10135</u>	<u>£25341</u>
<u>CREDITORS: Amounts falling due</u>			
<u>within one year</u>	7	<u>£8098</u>	<u>£21857</u>
<u>NET CURRENT ASSETS</u>		2037	3484
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>£2037</u>	<u>£3484</u>

# MAGIC MAC SYSTEMS LIMITED

## BALANCE SHEET AS AT 30TH APRIL 1998

	<u>Note</u>		<u>1997</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	8	4	4
Profit and Loss Account		2033	3480
<u>SHAREHOLDERS' FUNDS</u>	9	<u>£2037</u>	<u>£3484</u>

For the financial year ended 30th April 1998, the company was entitled to exemption from audit under section 249A(1) Companies Act 1985; and no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, 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.

Approved by the Board on 25th February 1999

  
S.L. ARMSTRONG

Director

# MAGIC MAC SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### 1. ACCOUNTING POLICIES

#### (a) Basis of Accounting

The financial statements have been prepared in accordance with the Companies Act 1985, as amended and with applicable Accounting Standards.

#### (b) Cash Flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirements to prepare such a statement, under Financial Reporting Standard 1 "Cash Flow Statements".

#### (c) Deferred Taxation

Provisions are made so that the deferred taxation account represents Corporation Tax, calculated on the liability method, in respect of the excess of tax allowances given for fixed assets over the depreciation provided, except to the extent that the directors are able to foresee that no liability is likely to arise from a reversal of the above timing differences for some considerable period.

### 2. TURNOVER

Turnover represents total sales to customers, excluding Value Added Tax, and arises entirely from the company's principal activities.

1997

### 3. OPERATING PROFIT

Operating Profit is stated after charging:

Directors' Remuneration	<u>3120</u>	<u>3000</u>
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### 4. TAXATION

UK Corporation Tax based on the profits for the year (period) at 21%	<u>£-</u>	<u>£1077</u>
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### 5. STOCK

Stock comprises raw materials and is valued at the lower of cost and estimated net realisable value. Cost is determined on a first-in, first-out basis. Net realisable value is based on estimated selling price, less any further costs of realisation.

# MAGIC MAC SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

		<u>1997</u>
6. <u>DEBTORS</u>		
Trade Debtors	1393	14769
Other Debtors	<u>1364</u>	<u>1133</u>
	<u>£2757</u>	<u>£15902</u>

### 7. CREDITORS: Amounts falling due within one year

Trade Creditors	7105	13373
UK Corporation Tax	-	1077
Directors' Loan Accounts	343	6792
Accruals	<u>650</u>	<u>615</u>
	<u>£8098</u>	<u>£21857</u>

### 8. CALLED UP SHARE CAPITAL

	<u>No.</u>	<u>£</u>	<u>No.</u>	<u>£</u>
<u>Authorised</u>				
Ordinary Shares of £1 Each	<u>1000</u>	<u>1000</u>	<u>1000</u>	<u>1000</u>
<u>Issued And Fully Paid</u>				
Ordinary Shares of £1 Each	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>

### 9. SHAREHOLDERS' FUNDS

(Loss)Profit for the Financial Period		
after Taxation	(1447)	3480
Shareholders' Funds at 1st May 1997	3484	4
	<u>£2037</u>	<u>£3484</u>

Shareholders' Funds are all attributable to equity interests.



## MAGIC MAC SYSTEMS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 10. RELATED PARTY TRANSACTIONS

##### Directors' Loan Accounts

	<u>R.D.Armstrong</u>	<u>S.L.Armstrong</u>
As at 1st May 1997	3000	3792
Withdrawal	(3000)	(3449)
	—	—
As at 30th April 1998	<u>£—</u>	<u>£343</u>

#### 11. CONTROL

The company is controlled by its Board of directors whose shareholdings are outlined on page 1.  
No individual exercises overall control.