

306/401

COMPUTER OFFICE
SYSTEMS (COSY) LIMITED

ANNUAL REPORT AND
FINANCIAL STATEMENTS

FOR THE PERIOD 25TH MAY 1995
TO 31ST DECEMBER 1995



COMPUTER OFFICE SYSTEMS (COSY) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 1995

INCORPORATION NUMBER

3061401

INCORPORATED IN

UNITED KINGDOM

DIRECTORS

S.A.RANDEREE
I.ESSACK
C.E.SHELLEY

SECRETARY

C.E.SHELLEY

REGISTERED OFFICE

CIFTIN HOUSE
73 EASTERN STREET
LONDON
EC2A 3HU

REPORTING ACCOUNTANTS

PARKER LLOYD
CHARTERED ACCOUNTANTS
144/146 NEW BOND STREET
LONDON
W1Y 9FD

COMPUTER OFFICE SYSTEMS (COSY) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31ST DECEMBER 1995

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COMPUTER OFFICE SYSTEMS (COSY) LIMITEDREPORT OF THE DIRECTORSFOR THE PERIOD ENDED 31ST DECEMBER 1995

The Directors have pleasure in submitting to the members the first Annual Report together with the Financial Statements of the company for the period from 25th May 1995 to 31st December 1995.

INCORPORATION AND COMMENCEMENT

The company was incorporated on 25th May 1995 and commenced trading on 15 August 1995.

RESULTS AND REVIEW OF THE BUSINESS

The results for the period are as disclosed in the attached accounts.

DIRECTORS

The Directors of the company in the period were-

| | |
|--------------|----------------------|
| S.A.RANDEREE | (Appointed 25-05-95) |
| I.ESSACK | (Appointed 25-05-95) |
| C.E.SHELLEY | (Appointed 25-05-95) |

PRINCIPAL ACTIVITIES

The principal activities of the company are those of Computer Networking and Computer Training

DIRECTORS' INTERESTS

The Directors of the company had interests as shown below, including family interests, in the shares of the company:-

| | <u>Beneficial Holdings</u> <u>Ordinary Shares</u> |
|--------------|--|
| | <u>1995</u> |
| S.A.RANDEREE | 1 |
| I.ESSACK | - |
| C.E.SHELLEY | - |

FIXED ASSETS

Details of significant changes in the Fixed Assets of the company during the period appear in the Notes to the Accounts.

STATE OF AFFAIRS

Although a loss was sustained for the period under review, the Directors anticipate an early return to profitability.

COMPUTER OFFICE SYSTEMS (COSY) LIMITED
REPORT OF THE DIRECTORS
FOR THE PERIOD ENDED 31ST DECEMBER 1995
(CONTINUED)

DIVIDENDS

The Directors do not recommend that a dividend be declared for the period under review.

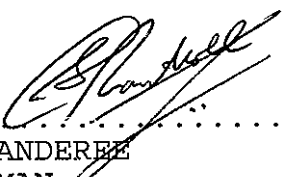
RESERVES

The Directors recommend that no formal transfer be made to the reserves for the period under review.

TAXATION

In the opinion of the Directors the company is a "Close Company" within the meaning of Section 414 of the Income and Corporation Taxes Act 1988.

BY ORDER OF THE BOARD

.....

S.A. RANDEREE
CHAIRMAN

11 November 1996

COMPUTER OFFICE SYSTEMS (COSY) LIMITEDDIRECTORS' RESPONSIBILITIES FOR THE ACCOUNTS

We are required under company law 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 those financial statements, we are required to:-

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- 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.

We are also responsible for:-

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

By Order of the Board



Secretary
C E SHELLEY

11 November 1996

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED
ACCOUNTS OF COMPUTER OFFICE SYSTEMS (COSY) LIMITED

Respective Responsibilities of Directors and Reporting Accountants

We report on the accounts for the period 25th May 1995 to 31st December 1995 set out on pages 7 to 12.

As described on page 5, the company's directors are responsible for the preparation of the accounts and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

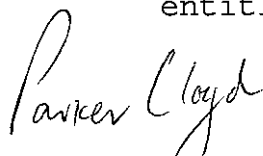
Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).



PARKER LLOYD
Chartered Accountants and
Registered Auditors

144-146 New Bond Street
London W1Y 9FD

Date: 11 November 1996

COMPUTER OFFICE SYSTEMS (COSY) LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE PERIOD ENDED 31ST DECEMBER 1995

| | | <u>1995</u> |
|--|---------|-------------|
| <u>TURNOVER</u> (Note 1) | | £159,203 |
| <u>COST OF SALES</u> | | 116,576 |
| | | ----- |
| <u>GROSS PROFIT</u> | | 42,627 |
| Administration Expenses | £52,935 | |
| Other Operating Expenses | 4,071 | |
| | ----- | |
| | | 57,006 |
| | | ----- |
| <u>OPERATING LOSS</u> (Note 2) | | (14,379) |
| | | ----- |
| <u>LOSS ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u> | | (14,379) |
| <u>TAXATION</u> (Note 3) | | - |
| | | ----- |
| <u>LOSS ON ORDINARY</u> <u>ACTIVITIES AFTER TAXATION</u> | | (14,379) |
| <u>DIVIDENDS</u> | | - |
| | | ----- |
| <u>RETAINED LOSS</u> <u>FOR THE PERIOD</u> | | £ (14,379) |
| | | ===== |

The Notes on Pages 10 to 12 form an integral part of these Accounts.

COMPUTER OFFICE SYSTEMS (COSY) LIMITEDBALANCE SHEETAT 31ST DECEMBER 1995

| | | <u>1995</u> |
|---|-----------|-------------|
| <u>FIXED ASSETS</u> | | |
| Tangible Assets (Note 4) | | £ 10,553 |
| <u>CURRENT ASSETS</u> | | |
| Stock | £ 17,547 | |
| Debtors (Note 5) | 99,270 | |
| | ----- | |
| | 116,817 | |
| <u>CREDITORS: AMOUNTS FALLING</u> | | |
| <u>DUE WITHIN ONE YEAR (Note 6)</u> | (141,747) | |
| | ----- | |
| <u>NET CURRENT LIABILITIES</u> | | (24,930) |
| | | ----- |
| | | £ (14,377) |
| | | ===== |
| <u>CAPITAL AND RESERVES</u> | | |
| <u>CALLED UP SHARE CAPITAL (Note 8)</u> | | £ 2 |
| <u>RESERVES</u> | | (14,379) |
| | | ----- |
| | | £ (14,377) |
| | | ===== |

Page 9 forms part of the Balance Sheet.

BALANCE SHEET (CONTINUED)

We have relied on the exemptions for individual financial statements contained in Sections 247 to 249 of the Companies Act 1985 because, under that Act, the company is entitled to benefit from those exemptions as a small company.

The exemption conferred by Section 249A(1) not to have these accounts audited applies to the company and the directors confirm that no notice has been deposited under S.249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for ensuring that:-

- i) the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
- ii) the accounts give a true and fair view of the state of affairs of the company as at 31st December 1995 and of its profit/(loss) for the period then ended in accordance with the requirements of S.226 and which otherwise comply with the requirements of the Companies Act 1985 relating to accounts so far as applicable to the Company.



.....
DIRECTOR
S A RANDEREE

The accounts were approved by the Board of Directors on 11 November 1996.

The notes on Pages 10 to 12 form an integral part of these accounts.

COMPUTER OFFICE SYSTEMS (COSY) LIMITEDNOTES TO THE ACCOUNTSFOR THE PERIOD ENDED 31ST DECEMBER 19951. ACCOUNTING POLICIESBasis of Preparation

These Accounts are prepared under the historical cost convention on a going concern basis and assume the continuation of the existing financial facilities available to the company.

There have been no significant changes in the basis of preparation of the accounts during the period.

Depreciation

Depreciation is provided on fixed assets at the following annual rates which are estimated to write off their cost over their expected useful lives:-

| | |
|------------------------|--------------------------|
| Computer equipment | 50% per annum of cost |
| Furniture and Fittings | 33.33% per annum of cost |

Turnover

Turnover represents the total invoiced value exclusive of Value Added Tax in respect of services rendered and goods sold during the period.

Stocks

Stocks have been valued at the lower of cost and net realisable value.

Deferred Taxation

Deferred taxation is provided using the liability method, only where there is a reasonable probability that it will become payable in the foreseeable future.

2. OPERATING LOSS

Operating results are stated after charging:-

| | <u>1995</u> |
|-----------------------|-------------|
| Director's Emoluments | £ - |
| Depreciation | 1,492 |
| | ===== |

COMPUTER OFFICE SYSTEMS (COSY) LIMITEDNOTES TO THE ACCOUNTSFOR THE PERIOD ENDED 31ST DECEMBER 1995(CONTINUED)3. TAXATIONCorporation Tax

No provision for Taxation on the results of the Ordinary Activities for the period was made.

Deferred Taxation

The company's accounting policy in respect of deferred tax is set out in Note 1 above. No provision has been made for deferred taxation as the Directors do not expect timing differences to reverse in the foreseeable future.

4. FIXED ASSET
TANGIBLE ASSETSCOMPUTER FURNITURE
EQUIPMENT & FITTINGS TOTALCOST OR VALUATION

| | | | |
|----------------------|---------|-------|---------|
| Additions | £11,105 | £ 940 | £12,045 |
| Disposals | - | - | - |
| | ----- | ----- | ----- |
| Balance at: 31-12-95 | £11,105 | £ 940 | £12,405 |
| | ===== | ===== | ===== |

DEPRECIATION

| | | | |
|--------------------------|---------|-------|---------|
| Provided for the Period | £ 1,388 | £ 104 | £ 1,492 |
| Adjustment for Disposals | - | - | - |
| | ----- | ----- | ----- |
| Balance at: 31-12-95 | £ 1,388 | £ 104 | £ 1,492 |
| | ===== | ===== | ===== |

NET BOOK VALUE

| | | | |
|--------------|---------|-------|---------|
| At: 31-12-95 | £ 9,717 | £ 836 | £10,553 |
| | ===== | ===== | ===== |

COMPUTER OFFICE SYSTEMS (COSY) LIMITEDNOTES TO THE ACCOUNTSFOR THE PERIOD ENDED 31ST DECEMBER 1995(CONTINUED)

| | | |
|----|------------------------------------|-------------|
| 5. | <u>DEBTORS</u> | <u>1995</u> |
| | Trade Debtors | £12,937 |
| | Inter Company Debtors | 79,601 |
| | Other Taxation and Social Security | 6,732 |
| | | ----- |
| | | 99,270 |
| | | ===== |

| | | |
|----|---|-------------|
| 6. | <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u> | <u>1995</u> |
| | Trade Creditors | £ 59,366 |
| | Inter Company Creditors | 25,674 |
| | Bank Overdraft | 4,090 |
| | Accruals | 2,617 |
| | Shareholders' Loan | 50,000 |
| | | ----- |
| | | £141,747 |
| | | ===== |

| | | |
|----|--------------------------------|-------------|
| 7. | <u>CALLED UP SHARE CAPITAL</u> | <u>1995</u> |
| | <u>Authorised</u> | |
| | 100 Ordinary Shares of £1 Each | £ 100 |
| | | ===== |
| | <u>Issued and Fully Paid</u> | |
| | 2 Ordinary Shares of £1 Each | £ 2 |
| | | ===== |