

INSYSNET LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST JANUARY, 2005

Company No. 3493915(England and Wales)



INSYSNET LIMITED

Company Information

Directors	R. J. Ashford Mrs K. Ashford
Secretary	R. J. Ashford
Company Number	3493915 (England and Wales)
Registered Office	Suffolk House 44 Burntwood Road Hammerwich Burntwood Staffordshire WS7 0JG
Accountants	Groves & Co. Chartered Certified Accountants and Registered Auditors 4 Cannock Road Chase Terrace Burntwood Staffordshire WS7 1JP

INSYSNET LIMITED

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INSYSNET LIMITED

Directors' Report for the year ended 31st January, 2005

The Directors present their report and the financial statements for the year ended 31st January, 2005.

Principal Activity

The principal activity is computer software consultancy.

Directors

The Directors at 31st January, 2005 and their interests in the share capital of the company were as follows:

	At 31 st January, 2005	At 1 st February, 2004
	Ordinary Shares	Ordinary Shares
R. J. Ashford	75	1
Mrs K. Ashford	25	1

Small company rules

These accounts have been prepared in accordance with the special provisions of Part VII of the **Companies Act 1985** relating to small companies. It was approved by the board on 17th November, 2005 and signed on its behalf.



R. J. Ashford
Director

INSYSNET LIMITED

Profit and Loss Account for the year ended 31st January, 2005

	Notes	2005	2004
		£	£
Turnover	1.2	64,791	28,465
Cost of Sales		<u>(25,854)</u>	<u>(12,437)</u>
Gross Profit		38,937	16,028
Administrative expenses		<u>(16,520)</u>	<u>(2,691)</u>
Operating profit	3	22,417	13,337
Profit on disposal of tangible fixed assets		<u>-</u>	<u>-</u>
Profit on ordinary activities before interest		22,417	13,337
Interest receivable		<u>55</u>	<u>1</u>
Profit on ordinary activities before taxation		22,472	13,338
Taxation on profit on ordinary activities	4	<u>(2,959)</u>	<u>(74)</u>
Profit on ordinary activities after taxation		19,513	13,264
Dividends			
On equity shares		<u>-</u>	<u>-</u>
Retained profit for the year		19,513	13,264
Balance/(Deficiency) brought forward		<u>6,179</u>	<u>(7,085)</u>
Balance carried forward		<u>25,692</u>	<u>6,179</u>

None of the company's activities were acquired or discontinued during the year and there were no recognised gains and losses for 2005 or 2004 other than those included in the profit and loss account.

The notes on pages 5 to 8 form part of these financial statements.

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Balance Sheet as at 31st January, 2005

	Notes	2005 £	2004 £
Fixed assets			
Tangible assets	5	2,267	2,166
Current assets			
Stock		650	422
Debtors	6	9,907	5,507
Cash at bank and in hand		<u>24,929</u>	<u>-</u>
		<u>35,486</u>	<u>5,929</u>
Creditors: amounts falling due within one year	7	<u>(11,877)</u>	<u>(1,840)</u>
Net current assets		<u>23,609</u>	<u>4,089</u>
Total assets less current liabilities		<u>25,876</u>	<u>6,255</u>
Creditors:- amounts falling due after more than one year		-	-
Provisions for liabilities and charges			
Deferred taxation	8	<u>(84)</u>	<u>(74)</u>
Net liabilities		<u>25,792</u>	<u>6,181</u>
Capital and Reserves			
Called up share capital	9	100	2
Profit and loss account		<u>25,692</u>	<u>6,179</u>
Shareholders' funds	10	<u>25,792</u>	<u>6,181</u>
Represented by			
Equity interest		<u>25,792</u>	<u>6,181</u>

The Directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of s.249A (1) of the Companies Act 1985. Members have not required the company, under s.249B(2) of the Companies Act 1985, to obtain an audit for the year ended 31st January, 2005. The Directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with s.221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st January, 2005 and of its profit for the year then ended in accordance with the requirements of s.226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 17th November, 2005 and signed on its behalf.



R. J. Ashford
Director

The notes on pages 5 to 8 form part of these financial statements.

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Notes to the financial statements for the year ended 31st January, 2005

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company net of Value 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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Computer Equipment	33% per annum straight line basis
Furniture, Fixtures and Fittings	25% per annum reducing balance basis
Office Equipment	25% per annum reducing balance basis
Tools and Equipment	20% per annum reducing balance basis

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease 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.

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Notes to the financial statements for the year ended 31st January, 2005

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stock. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.6 Deferred taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on the tax rates and laws enacted or substantially enacted at the balance sheet date.

2 Turnover

In the year to 31st January, 2005 none of the company's turnover was derived from markets outside the United Kingdom (2004 – NIL).

3 Operating profit

The operating profit is stated after charging:

	2005 £	2004 £
Depreciation of tangible fixed assets		
- owned by the company	867	699
Operating lease rentals		
- hire of plant and machinery	-	-
- other		
Directors' remuneration	9,230	-

4 Taxation

	2005 £	2004 £
UK corporation tax - current year	2,949	-
- prior year	-	-
Total current tax charge	2,949	-
Deferred tax charge/(credit)	10	74
	<u>2,959</u>	<u>74</u>

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Notes to the financial statements for the year ended 31st January, 2005

The tax assessed for the period differs from the standard rate of UK taxation applicable to the company of 19% (2004-19%). The differences are explained below:

Profit on ordinary activities before tax	<u>22,472</u>	<u>13,338</u>
Profit on ordinary activities multiplied by standard rate of 19% (2004-19%)	4,270	2,534
Expenses not deductible for tax purposes	-	-
Capital allowances for period in excess of depreciation	(10)	(6)
Loss relief	-	(1,178)
Small companies rate relief	(1,311)	(1,350)
Adjustments to tax charge in respect of prior years	<u>0</u>	<u>0</u>
Current tax charge for the period	<u>2,949</u>	<u>0</u>

5 Tangible fixed assets

	Plant & Machinery, etc
Cost	£
At 1 st February, 2004	5,257
Additions	968
Disposals	-
At 31 st January, 2005	<u>6,225</u>
Depreciation	
At 1 st February, 2004	3,091
On disposals	-
Charge for year	<u>867</u>
At 31 st January, 2005	<u>3,958</u>
Net book values	
At 31 st January, 2005	<u>2,267</u>
At 31 st January, 2004	<u>2,166</u>

6 Debtors

	2005	2004
	£	£
Due after more than one year		
Other debtors	-	-
Due within one year		
Trade debtors	8,523	-
Other debtors	<u>1,384</u>	<u>5,507</u>
	<u>9,907</u>	<u>5,507</u>

Included within other debtors due within one year is an overdrawn loan account of £NIL (2004 – £5,507) for Mr R. J. Ashford, a director. The maximum outstanding during the year was £5,507.

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Notes to the financial statements for the year ended 31st January, 2005

7 Creditors: amounts falling due within one year

	2005 £	2004 £
Bank loans and overdrafts	-	-
Trade creditors	81	-
Corporation tax	2,949	-
Other creditors	<u>8,847</u>	<u>1,840</u>
	<u>11,877</u>	<u>1,840</u>

Included within other creditors is an amount of £6,446 (2004 - £1,315) relating to social security and other taxes. Of the creditors falling due within and after more than one year, the bank loans and overdrafts totalling £NIL (2004 - NIL) are secured.

8 Deferred taxation

	2005 £	2004 £
Balance at 1 st February, 2004	74	-
Charge (credit) for the year	<u>10</u>	<u>74</u>
Balance at 31 st January, 2005	<u>84</u>	<u>74</u>

The provision for deferred taxation is made up of accelerated capital allowances.

9 Share capital

	2005 £	2004 £
Authorised		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>100</u>	<u>2</u>

10 Reconciliation of movement in shareholders' funds

	2005 £	2004 £
Issue of ordinary share capital	98	-
Profit for the year	19,513	13,264
Opening shareholder's funds	<u>6,181</u>	<u>(7,083)</u>
Closing shareholder's funds	<u>25,792</u>	<u>6,181</u>

11 Related Parties

The controlling party is R. J. Ashford by virtue of his ownership of 75% of the issued ordinary share capital in the company.