

Advanced Audio and Vision Ltd

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Advanced Audio and Vision Ltd

Directors Report

This year has seen revenue fall to just below £134,000 which is 40% below last year. This is a result of the decision to concentrate on building key relationships with fewer, but potentially higher revenue generating customers. The benefits of this investment are forecast to materialise within the next financial year.

AAV continued to provide the highest quality solutions and has repeatedly won business from our competitors. Over the last year this has seen AAV installing solutions into the following vertical markets: Education, IT and Commercial, which include multiple household names.

Profits has fallen from £16,509 to a loss of £6,619. This is due to the decrease in revenue of £88,614 and cost savings of £65,486.

During next year AAV is committed to achieving revenue growth thus achieving increased market share, whilst continuing to support existing customers.




Director
Mr D Scott
11 January 2004

Advanced Audio and Vision Ltd

Profit & Loss Account

for the year ended 31st October 2004

		Unaudited	Unaudited
	Note	2004 £'s	2003 £'s
Turnover	2	133,966	222,580
Operating expenses	3	140,410	(202,854)
Earnings before interest, tax, depreciation, and amortisation		(5,471)	20,655
Depreciation		(974)	(929)
Operating profit / (loss)		(6,445)	19,726
Interest receivable and similar income		0	0
Interest payable and similar charges	5	(218)	(915)
Profit / (loss) on ordinary activities before taxation	4	(6,663)	18,811
Taxation on profit / (loss) on ordinary activities	7	44	(2,302)
Profit / (loss) attributable to shareholders		(6,619)	16,509
Dividends payable		0	0
Retained profit / (loss) for the period	12	(6,619)	16,509



Director

Mr D Scott

11 January 2004

Advanced Audio and Vision Ltd

Balance Sheet

as at 31st October 2004

		Unaudited 2004 £'s	Unaudited 2003 £'s
	Note		
Fixed assets			
Tangible Assets	8	1,310	2,106
		<u>1,310</u>	<u>2,106</u>
Current assets			
Debtors	9	10,311	78,511
Cash at Bank and in Hand		16,157	32,929
		<u>26,468</u>	<u>111,439</u>
Current liabilities			
Creditors: amounts falling due within one year	10	(17,315)	(96,463)
Net current assets		<u>9,153</u>	<u>14,976</u>
Total assets less current liabilities		10,463	17,082
Creditors: amounts falling due after more than one year	10	-	-
Net assets		<u>10,463</u>	<u>17,082</u>
Capital and reserves			
Called up ordinary share capital	11	2	2
Profit and loss account	12	10,461	17,080
Equity shareholders' funds		<u>10,463</u>	<u>17,082</u>

Audit Exemption

For the year ended 31st October 2004 the company was entitled to exemption under section 249A(1) of the Companies Act 1985

Members have not required the company to obtain an audit in accordance with section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibility for:

- Ensuring the company keeps accounting records which comply with section 221; and
- Preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of its profit and loss for the financial year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the company.

The accounts have been prepared in accordance with the special provisions in part VII of the Companies Act 1985 relating to small companies.



Director

Mr D Scott

11 January 2004

Advanced Audio and Vision Ltd

Cash Flow

for the year ended 31st October 2004

		Unaudited	Unaudited	Unaudited	Unaudited
		2004	2004	2003	2003
	Note	£'s	£'s	£'s	£'s
Net cash inflow from operating activities	13		(16,419)		15,921
Return on investments and servicing on finance					
Interest received		-		-	
Bank interest paid		(218)		(46)	
Interest paid on loan		-		(869)	
Interest paid on finance leases		-		-	
			(218)		(915)
Taxation			43		(4)
Capital expenditure and financial investment					
Purchase of tangible fixed assets		(178)		(989)	
Sale of tangible fixed assets		-		-	
			(178)		(989)
Acquisitions and disposals					
Purchase of subsidiary undertakings		-		-	
Bank accounts acquired with subsidiaries		-		-	
			-		-
			(16,772)		14,013
Equity dividends paid			0		0
Cash inflow before financing			(16,772)		14,013
Financing					
Issue of ordinary shares		-		-	
Expenses of share issue		-		-	
Capital repayment on finance leases and HP		-		-	
			0		0
Increase in cash for the year	14/15		(16,772)		14,013

Advanced Audio and Vision Ltd

Notes to the Financial Statements

for the year ended 31st October 2004

Note 3 Other Operating Expenses

	2004 £'s	2003 £'s
Staff Costs	31,058	53,605
Cost of sales	77,007	107,127
Depreciation of tangible fixed assets	974	929
Other operating charges	31,372	41,192
	140,410	202,854

Note 4 Profit / (loss) on Ordinary Activities before Taxation

	2004 £'s	2003 £'s
Turnover	133,966	222,580
Less: Operating Expenses	(140,410)	(202,854)
Interest	(218)	(915)
	(6,663)	18,811

Note 4 Interest & Similar Charges

	2004 £'s	2003 £'s
Interest	218	915
	218	915

Note 6 Directors and Employees Staff costs during the year

	2004 £'s	2003 £'s
Wages and salaries	27,500	40,000
Social security costs	3,558	13,605
	31,058	53,605

Average number of staff during the year was: 1 1

Directors' emoluments

	2004 £'s	2003 £'s
Director's remuneration	27,500	40,000
The highest paid Director	27,500	40,000

Advanced Audio and Vision Ltd

Notes to the Financial Statements

for the year ended 31st October 2004

Note 7 Taxation

	2004 £'s	2003 £'s
United Kingdom taxation		
Corporation tax	(44)	2,302
	<u>(44)</u>	<u>2,302</u>

Note 8 Tangible Fixed Assets

	Machinery and equipment £'s	Leasehold improvements £'s	Fixtures and fittings £'s	Motor vehicles £'s	Total £'s
Cost:					
At 1 November 2003	3,718	-	-	-	3,718
Additions	178	-	-	-	178
Disposals	-	-	-	-	-
At 31 October 2004	<u>3,896</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,896</u>
Depreciation:					
At 1 November 2003	1,612	-	-	-	1,612
Charge for the year	974	-	-	-	974
Eliminated on disposals	-	-	-	-	-
At 31 October 2004	<u>2,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,585</u>
Net Book Value:					
At 31 October 2004	<u>1,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,310</u>
At 31 October 2003	<u>2,106</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,106</u>

Note 9 Debtors

	2004 £'s	2003 £'s
Trade debtors	7,277	78,289
Other debtors	3,035	221
Prepayments	-	-
	<u>10,311</u>	<u>78,511</u>

Advanced Audio and Vision Ltd

Notes to the Financial Statements

for the year ended 31st October 2004

Note 10 Creditors

	2004 £'s	2003 £'s
Amounts falling due within one year		
Trade creditors	17,315	30,720
Corporation tax	-	2,302
Other tax and social security	-	6,000
Accruals	-	57,440
	<u>17,315</u>	<u>96,463</u>

Amounts falling due after more than one year

Long term loan	-	-
	<u>-</u>	<u>-</u>

Note 11 Share Capital

	2004 £'s	2003 £'s
Equity Shares		
Authorised:		
2 shares of £1.00 each	2	2
	<u>2</u>	<u>2</u>

Note 12 Profit & Loss

	2004 £'s
At 1 November 2002	17,080
Retained profit for the year	<u>(6,619)</u>
	<u>10,461</u>

Note 13 Reconciliation of Operating Profit to Net Cash Inflow from Operating Activities

	2004 £'s	2003 £'s
Operating profit / (loss)	(6,445)	19,726
Depreciation	974	929
Decrease / (increase) in debtors	68,200	(76,522)
(Decrease) / increase in creditors	<u>(79,148)</u>	<u>71,787</u>
Net cash inflow from operating activities	<u>(16,419)</u>	<u>15,921</u>

Advanced Audio and Vision Ltd

Notes to the Financial Statements

for the year ended 31st October 2004

Note 14 Analysis of Net Funds

	At 1 November 2003 £'s	Cash flow £'s	Non cash changes £'s	Exchange movements £'s	At 31 October 2004 £'s
Cash at bank and in hand	32,929	(16,772)	-	-	16,157
Overdrafts	-	-	-	-	-
	<u>32,929</u>	<u>(16,772)</u>	<u>-</u>	<u>-</u>	<u>16,157</u>
Finance leases	-	-	-	-	-
	<u>32,929</u>	<u>(16,772)</u>	<u>-</u>	<u>-</u>	<u>16,157</u>

Note 15 Reconciliation of Net Cash Flow to Movement in Net Funds

	2004 £'s	2003 £'s
Increase / (decrease) in cash in the period	(16,772)	14,013
Cash outflow from decrease in lease financing	-	-
Change in net funds resulting from cash flows	<u>(16,772)</u>	<u>14,013</u>
New finance leases	-	-
Translation difference	-	-
Movements in net funds	<u>(16,772)</u>	<u>14,013</u>
Net funds at 1 November 2003	<u>32,929</u>	<u>18,916</u>
Net funds at 31 October 2004	<u>16,157</u>	<u>32,929</u>