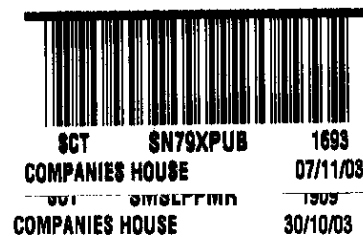


**ROOT LIMITED**  
*Registered number: SC161514*

**Director's Report and Financial Statements**

**For the year ended 31 December 2002**



# **ROOT LIMITED**

## **Company information**

<b>Director</b>	I Gammie
<b>Secretary</b>	J Macleod
<b>Company number</b>	SC161514
<b>Registered office</b>	17 Melville Street Edinburgh EH3 7PH
<b>Accountants</b>	Scott-Moncrieff Chartered Accountants  17 Melville Street Edinburgh EH3 7PH
<b>Bankers</b>	Bank of Scotland 50 St John Street Perth PH1 5SL

# ROOT LIMITED

## Director's report For the year ended 31 December 2002

The director presents his report and the financial statements for the year ended 31 December 2002.

### Principal activities

The principal activity of the company in the year under review was the provision of computer consultancy services.

### Director

The director who served during the year and his beneficial interest in the company's issued share capital was:

	Ordinary shares of £1 each	
	<u>2002</u>	<u>2001</u>
I Gammie	100	100

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

This report was approved by the board on 24/10/2003 and signed on its behalf by:



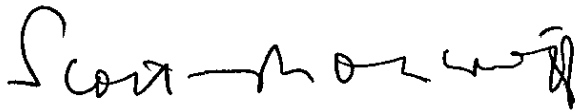
**J Macleod**  
Secretary

ROOT LIMITED

**Accountants' report to the director on the  
unaudited financial statements of Root Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 December 2002 set out on pages 3 to 7 and you consider that the company is exempt from an audit under section 249A(1) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records of the company and from information and explanations supplied to us.



**Scott-Moncrieff**

Chartered Accountants

17 Melville Street  
Edinburgh  
EH3 7PH

Date: 27<sup>th</sup> October 2003

# ROOT LIMITED

## Profit and loss account For the year ended 31 December 2002

	Note	2002 £	2001 £
<b>Turnover</b>	1	108,964	215,043
Cost of sales		(10,000)	(8,333)
<b>Gross profit</b>		98,964	206,710
Administrative expenses		(43,310)	(48,634)
<b>Operating profit</b>	2	55,654	158,076
Interest receivable		5,605	4,490
Interest payable		(395)	(13)
<b>Profit on ordinary activities before taxation</b>		60,864	162,553
<b>Tax on profit on ordinary activities</b>	3	(12,027)	(31,582)
<b>Profit on ordinary activities after taxation</b>		48,837	130,971
<b>Dividends</b>		(29,655)	(9,500)
<b>Retained profit for the financial year</b>	8	19,182	121,471

The notes on pages 5 to 7 form part of these financial statements.

# ROOT LIMITED

## Balance sheet As at 31 December 2002

	Note	2002 £	2001 £
<b>Fixed assets</b>			
Tangible fixed assets	4	2,098	3,519
<b>Current assets</b>			
Debtors	5	138,947	101,799
Cash at bank		190,843	138,490
		<u>329,790</u>	<u>240,289</u>
<b>Creditors: amounts falling due within one year</b>	6	<u>(124,791)</u>	<u>(55,893)</u>
<b>Net current assets</b>		204,999	184,396
<b>Total assets less current liabilities</b>		<u>207,097</u>	<u>187,915</u>
<b>Capital and reserves</b>			
Called up share capital	7	100	100
Profit and loss account	8	206,997	187,815
<b>Shareholders' funds</b>		<u>207,097</u>	<u>187,915</u>

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985 and members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2) of the Act. The director acknowledges his responsibility for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2002 and of its profit for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the financial statements 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 and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The financial statements were approved by the board on 24/10/2003 and signed on its behalf by:

  
I Gammie  
Director

The notes on pages 5 to 7 form part of these financial statements.

# ROOT LIMITED

## Notes to the financial statements For the year ended 31 December 2002

### 1. Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### 1.2 Cash flow

The financial statements do not include a cash flow statement because the company, as a small reporting entity, is exempt from the requirement to prepare such a statement under the Financial Reporting Standard for Smaller Entities (effective June 2002).

#### 1.3 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, exclusive of Value Added Tax and trade discounts.

#### 1.4 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:

Office equipment	-	20% straight line
Computer equipment	-	25% straight line

### 2. Operating profit

The operating profit is stated after charging/(crediting):

	2002 £	2001 £
Depreciation of tangible fixed assets:		
- owned by the company	1,421	1,421
Pension costs	3,500	1,200
Difference on foreign exchange	(163)	(40)
	<hr/>	<hr/>

During the year, no director received any emoluments (2001 - £nil).

### 3. Taxation

	2002 £	2001 £
<b>Analysis of tax charge in year</b>		
UK corporation tax on profits of the year	11,993	32,141
Adjustments in respect of prior periods	34	(559)
	<hr/>	<hr/>
<b>Tax on profit on ordinary activities</b>	<b>12,027</b>	<b>31,582</b>
	<hr/>	<hr/>

There were no factors that affected the tax charge for the year which has been calculated on the profits on ordinary activities before tax at the standard rate of corporation tax in the UK.

There were no factors that may affect future tax charges.

# ROOT LIMITED

## Notes to the financial statements For the year ended 31 December 2002

### 4. Tangible fixed assets

	Furniture, fittings and equipment £
<b>Cost</b>	
At 1 January 2002 and 31 December 2002	5,804
<b>Depreciation</b>	
At 1 January 2002	2,285
Charge for the year	1,421
At 31 December 2002	3,706
<b>Net book value</b>	
At 31 December 2002	2,098
At 31 December 2001	3,519

### 5. Debtors

	2002 £	2001 £
<b>Due after more than one year</b>		
Other debtors	20,808	20,360
<b>Due within one year</b>		
Trade debtors	5,099	-
Other debtors	113,040	81,439
	<u>138,947</u>	<u>101,799</u>

Included within other debtors due within one year is a loan to Ian Gammie, a director, amounting to £109,487 (2001 £81,439). The maximum outstanding during the year was £109,487.

### 6. Creditors: amounts falling due within one year

	2002 £	2001 £
Corporation tax	31,331	52,501
Social security and other taxes	696	1,027
Other creditors	92,764	2,365
	<u>124,791</u>	<u>55,893</u>

### 7. Share capital

	2002 £	2001 £
<b>Authorised, allotted, called up and fully paid</b>		
100 Ordinary shares of £1 each	100	100



# ROOT LIMITED

## Notes to the financial statements For the year ended 31 December 2002

### 8. Reserves

#### Profit and loss account

At 1 January 2002

Profit retained for the year

At 31 December 2002

£

187,815

19,182

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206,997

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