

Binary Computer Solutions Limited  
Director's Report and  
Financial Statements  
for the period ended 31 May 2004



Company number 4435086 (England and Wales)

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Binary Computer Solutions Limited  
Company information

Director

J Cumpsty

Company secretary

C Cumpsty

Company number

4435086 (England and Wales)

Binary Computer Solutions Limited  
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The following pages do not form part of the statutory accounts

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Binary Computer Solutions Limited  
Director's report for the period ended 31 May 2004

The director presents his report and the financial statements for the period ended 31 May 2004.

**Principal activities**

The company's principal activity continues to be computer consultancy.

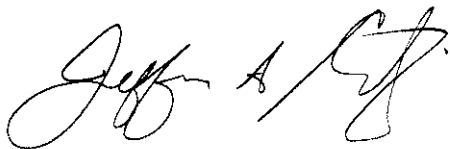
**Directors**

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

|           | Class              | Number of shares |      |
|-----------|--------------------|------------------|------|
|           |                    | 2004             | 2003 |
| J Cumpsty | Ordinary £1 shares | 100              | 2    |

This report was approved by the board on 20 April 2005 taking advantage of special exemptions available to small companies conferred by Part II of Schedule 8 of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective June 2002).

Signed on behalf of the board of directors



J Cumpsty  
Director

Binary Computer Solutions Limited  
Profit and loss account for the period ended 31 May 2004

|                                                             | Notes | 2004<br>£           | 2003<br>£           |
|-------------------------------------------------------------|-------|---------------------|---------------------|
| Turnover                                                    | 2     | 25,680              | 30,791              |
| Cost of sales                                               |       | <u>-</u>            | <u>51</u>           |
| <b>Gross profit</b>                                         |       | 25,680              | 30,740              |
| Administrative expenses                                     |       | <u>17,919</u>       | <u>14,429</u>       |
| <b>Operating profit/(loss)</b>                              | 3     | 7,761               | 16,311              |
| Interest received                                           |       | <u>27</u>           | <u>190</u>          |
| <b>Profit/(loss) on ordinary activities before taxation</b> |       | 7,788               | 16,501              |
| Taxation                                                    | 4     | <u>124</u>          | <u>910</u>          |
| <b>Profit/(loss) for the financial year</b>                 |       | 7,664               | 15,591              |
| Dividends                                                   | 5     | <u>11,000</u>       | <u>7,800</u>        |
| <b>Retained profit/(loss) for the year</b>                  |       | (3,336)             | 7,791               |
| <b>Retained profit brought forward</b>                      |       | <u>7,791</u>        | <u>-</u>            |
| <b>Retained profit carried forward</b>                      |       | <u><u>4,455</u></u> | <u><u>7,791</u></u> |

There were no recognised gains or losses other than those included in the profit and loss account.

The operations of the company are all continuing.

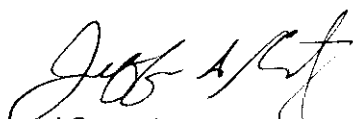
The notes on pages 4 to 7 form part of these financial statements.

Binary Computer Solutions Limited  
Balance sheet as at 31 May 2004

|                                                       |       | 2004 |              | 2003 |              |
|-------------------------------------------------------|-------|------|--------------|------|--------------|
|                                                       | Notes | £    | £            | £    | £            |
| <b>Fixed assets</b>                                   |       |      |              |      |              |
| Tangible fixed assets                                 | 6     |      | 2,446        |      | 2,144        |
| <b>Current assets</b>                                 |       |      |              |      |              |
| Debtors                                               | 7     |      | 692          |      | 2,525        |
| Cash at bank and in hand                              |       |      | <u>2,239</u> |      | <u>5,286</u> |
|                                                       |       |      | 2,931        |      | 7,811        |
| <b>Creditors:</b> amounts falling due within one year | 8     |      | <u>822</u>   |      | <u>2,162</u> |
| <b>Net current assets</b>                             |       |      | <u>2,109</u> |      | <u>5,649</u> |
| <b>Net assets</b>                                     |       |      | <u>4,555</u> |      | <u>7,793</u> |
| <b>Capital and reserves</b>                           |       |      |              |      |              |
| Called up share capital                               | 9     |      | 100          |      | 2            |
| Profit and loss account                               |       |      | <u>4,455</u> |      | <u>7,791</u> |
| <b>Shareholders funds</b>                             | 10    |      | <u>4,555</u> |      | <u>7,793</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. Members have not required the company, under section 249B (2) of the Companies Act 1985, to obtain an audit for the year ended 31 May 2004. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit. The director acknowledges his responsibility for ensuring that the company keeps proper accounting records which comply with section 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 31 May 2004 and of its profit and loss 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 accounts so far as applicable to the company.

Approved by the board on 20 April 2005 and signed on its behalf. The director has relied upon special exemptions available to small companies conferred by Part I of Schedule 8 of the Companies Act 1985 on the grounds that the company qualifies as a small company by virtue of section 247 of the Act and the Financial Reporting Standard for Smaller Entities (effective June 2002).

  
J Cumpsty  
Director

The notes on pages 4 to 7 form part of these financial statements.

Binary Computer Solutions Limited  
Notes to the financial statements for the period ended 31 May 2004

**1 Accounting policies**

**1.1 Basis of preparation of accounts**

The accounts are prepared under the historic cost convention and incorporate the results of the principal activity which is described in the director's report and which is continuing.

The company's principal activity is exposed to inherent uncertainties and global market fluctuations beyond the control of the company's management. The company meets its working capital requirements from its day to day activities in this market place and the director considers that the company will continue to operate on this basis and that it is appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a downturn in the market in which it operates.

The company has taken advantage of the exemption in Financial Reporting Standard number 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 services supplied by the company, net of Value Added Tax and trade discounts.

**1.3 Tangible fixed assets**

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 residual value, over the expected lives on the following basis:

|                  |                      |
|------------------|----------------------|
| Office equipment | 25% reducing balance |
|------------------|----------------------|

Binary Computer Solutions Limited  
Notes to the financial statements for the period ended 31 May 2004, continued

**2 Turnover**

The company's turnover is wholly attributable to the principal activity.

|             |             |
|-------------|-------------|
| <b>2004</b> | <b>2003</b> |
| <b>£</b>    | <b>£</b>    |

**3 Operating profit**

The operating profit is stated after charging:

Depreciation of tangible fixed assets:

|                       |              |              |
|-----------------------|--------------|--------------|
| Owned                 | 815          | 715          |
| Director remuneration | <u>4,620</u> | <u>2,735</u> |

The number of directors to whom retirement benefits are accruing under money purchase schemes was 1.

**4 Taxation**

United Kingdom Corporation Tax at 19%

|              |            |            |
|--------------|------------|------------|
| Current year | 124        | 910        |
| Prior year   | <u>-</u>   | <u>-</u>   |
|              | <u>124</u> | <u>910</u> |

**5 Dividends**

|                  |               |              |
|------------------|---------------|--------------|
| Interim dividend | <u>11,000</u> | <u>7,800</u> |
|------------------|---------------|--------------|

Binary Computer Solutions Limited  
Notes to the financial statements for the period ended 31 May 2004, continued

**6 Tangible fixed assets**

|                         | Office<br>equipment<br>£ | Total<br>£   |
|-------------------------|--------------------------|--------------|
| <b>Cost</b>             |                          |              |
| As at 1 June 2003       | 2,859                    | 2,859        |
| Additions               | 1,117                    | 1,117        |
| Disposals               | <u>-</u>                 | <u>-</u>     |
| As at 31 May 2004       | <u>3,976</u>             | <u>3,976</u> |
| <b>Depreciation</b>     |                          |              |
| As at 1 June 2003       | 715                      | 715          |
| Charge for the year     | 815                      | 815          |
| Eliminated on disposal  | <u>-</u>                 | <u>-</u>     |
| As at 31 May 2004       | <u>1,530</u>             | <u>1,530</u> |
| <b>Net book amounts</b> |                          |              |
| As at 31 May 2004       | <u>2,446</u>             | <u>2,446</u> |
| As at 31 March 2003     | <u>2,144</u>             | <u>2,144</u> |

| <b>7 Debtors</b>             | <b>2004<br/>£</b> | <b>2003<br/>£</b> |
|------------------------------|-------------------|-------------------|
| Due within one year          |                   |                   |
| Trade debtors                | 464               | 2,525             |
| Director's loan account      | 122               | -                 |
| Taxation and social security | 106               | -                 |
|                              | <u>692</u>        | <u>2,525</u>      |

Binary Computer Solutions Limited

Notes to the financial statements for the period ended 31 May 2004, continued

| <b>8</b> | <b>Creditors: amounts due within one year</b> | <b>2004<br/>£</b> | <b>2003<br/>£</b> |
|----------|-----------------------------------------------|-------------------|-------------------|
|          | Director's loan account                       | -                 | 29                |
|          | Corporation tax                               | 124               | 910               |
|          | Taxation and social security costs            | 199               | 1,223             |
|          | Other creditors                               | <u>499</u>        | <u>-</u>          |
|          |                                               | <u>822</u>        | <u>2,162</u>      |

**9 Called up share capital**

|                            |            |            |
|----------------------------|------------|------------|
| Authorised                 |            |            |
| Ordinary shares of £1 each | <u>100</u> | <u>100</u> |
| Allotted and fully paid    |            |            |
| Ordinary shares of £1 each | <u>100</u> | <u>2</u>   |

During the period 98 ordinary shares were issued at £1 per share.

**10 Reconciliation of movement in shareholders fund**

|                                    |                |              |
|------------------------------------|----------------|--------------|
| Shareholders funds brought forward | 7,793          | -            |
| Issue of shares                    | 98             | 2            |
| Profit/(loss) for the year         | <u>(3,336)</u> | <u>7,791</u> |
| Shareholders funds carried forward | <u>4,555</u>   | <u>7,793</u> |

**11 Related parties and transactions with director**

The director controls the company by virtue of his ownership of 100% of the issued share capital.

During the year J Cumpsty had a director's loan account with the company. The loan is interest free and there are no fixed terms of repayment. The balance outstanding at the balance sheet date was £122 due to the company. (2003 £0 due to the company) and the maximum balance outstanding during the year was £122 (2003: £0).

Binary Computer Solutions Limited  
Trading and profit and loss account for the period ended 31 May 2004

|                                     | 2004       |               | 2003       |               |
|-------------------------------------|------------|---------------|------------|---------------|
|                                     | £          | £             | £          | £             |
| Fees receivable                     |            | 25,680        |            | 30,791        |
| Cost of sales                       |            | <u>-</u>      |            | <u>51</u>     |
| Gross profit                        |            | 25,680        |            | 30,740        |
| Interest received                   |            | 27            |            | 190           |
| Less expenditure                    |            |               |            |               |
| Director's remuneration             | 4,620      |               | 2,735      |               |
| Other wages                         | 4,620      |               | 730        |               |
| Staff Training                      | -          |               | 1,252      |               |
| Motor and travel expenses           | 4,830      |               | 5,864      |               |
| Entertaining                        | 44         |               | 58         |               |
| Telephone and internet              | 404        |               | 234        |               |
| Stationery and computer consumables | 801        |               | 394        |               |
| Office facilities                   | 1,250      |               | 1,825      |               |
| Accountancy                         | 425        |               | 270        |               |
| Professional fees                   | 95         |               | 48         |               |
| Sundry expenses                     | 15         |               | -          |               |
| Repairs and maintenance             | -          |               | 109        |               |
| Bad debts                           | -          |               | 195        |               |
| Depreciation                        | <u>815</u> | <u>17,919</u> | <u>715</u> | <u>14,429</u> |
| Net profit/(loss)                   |            | <u>7,788</u>  |            | <u>16,501</u> |

**Binary Computer Solutions Limited**  
**Report to the directors of the company for the period ended 31 May 2004**

**Accountants Report**

In accordance with instructions given to us, we have prepared, without carrying out an audit, the accounts on pages 2 to 7 from the accounting records of the company and from information and explanations given to us by the director(s).

Our duties only extend to the director(s) of the company and we cannot be held responsible by any third party who uses or places reliance on this report in order to make a decision to enter into any type of transaction with the company.

**Quay accounting**  
**20 April 2005**