Registered no. 2481183

PROSYS COMPUTING LIMITED

UNAUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2006

BRANSCOMBE ACCOUNTANCY SERVICES LIMITED
2 BRANSCOMBE WALK
PORTISHEAD
BRISTOL
BS20 8LP

PROSYS COMPUTING LIMITED

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PROSYS COMPUTING LIMITED

DIRECTOR`S REPORT FOR THE YEAR ENDED 31 MARCH 2006

The director presents his report and the financial statements of the company for the year ended 31 March 2006.

Director`s Responsibilities

Company law requires the director 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, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Directors

G.V.Morgan

Secretary

C.M.Morgan

Registered Office

Titan House
Cardiff Bay Business Centre
Lewis Road
Ocean Park
Cardiff
CF25 5BS

Principal Activity

The principal activity of the company throughout the year was that of computer programming and systems consultancy, and supply of computer hardware, software and support services.

Directors

The present director is shown above. He served on the board throughout the year.

The company`s Articles of Association do not require directors to retire by rotation.

Director`s Interests

The interests of the director in the shares of the company at the beginning and end of the year, were as follows:

	31 March 2006	*1 April 2005*
G.V.Morgan		
Beneficial interests	1	1

PROSYS COMPUTING LIMITED

DIRECTOR`S REPORT FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

Small company

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

ON BEHALF OF THE BOARD

....

C.M.MORGAN - SECRETARY

Date: 31/1/07

PROSYS COMPUTING LIMITED

ACCOUNTANTS' REPORT TO THE BOARD OF DIRECTORS ON THE UNAUDITED FINANCIAL STATEMENTS OF PROSYS COMPUTING LIMITED

In accordance with our engagement letter and in order to assist you to fulfil your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account, the Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

You have acknowledged on the balance sheet for the year ended 31 March 2006 your duty to ensure that the company has kept proper accounting records and to prepare financial statements that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the period.

We have not been instructed to carry out an audit of the financial statements. For this reason, we do not, therefore, express an audit opinion on the financial statements.

Branscombe Accountancy Services Ltd.
Branscombe Accountancy Services Limited

Date: 31/1/07

2 Branscombe Walk
Portishead
Bristol
BS20 8LP

PROSYS COMPUTING LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2006

	Note	2006 £	2005 £
TURNOVER	2	579,383	572,458
Cost of sales		(184,906)	(217,369)
GROSS PROFIT		394,477	355,089
Net operating expenses	3	(380,062)	(315,494)
OPERATING PROFIT	4	14,415	39,595
Other interest receivable and similar income		943	7
Interest payable and similar charges		(2,516)	(2,313)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,842	37,289
Tax on profit on ordinary activities	5	(3,054)	(7,202)
PROFIT FOR THE FINANCIAL YEAR		9,788	30,087
Dividends	6	(18,000)	(12,000)
RETAINED (LOSS)/PROFIT FOR THE FINANCIAL YEAR		(8,212)	18,087
Retained profit brought forward		59,820	41,733
RETAINED PROFIT CARRIED FORWARD		51,608	59,820

The annexed notes form part of these financial statements.

PROSYS COMPUTING LIMITED

BALANCE SHEET AT 31 MARCH 2006

	Note		2006 £		2005 £
FIXED ASSETS					
Tangible assets	7		25,711		33,267
CURRENT ASSETS					
Debtors	8	232,735		217,549	
Cash at bank and in hand		226		735	
		232,961		218,284	
CREDITORS					
Amounts falling due within one year	9	(199,672)		(174,743)	
NET CURRENT ASSETS			33,289		43,541
TOTAL ASSETS LESS CURRENT LIABILITIES			59,000		76,808
CREDITORS					
Amounts falling due after more than one year	10		(7,390)		(16,986)
PROVISIONS FOR LIABILITIES AND CHARGES			-		-
NET ASSETS			51,610		59,822
CAPITAL AND RESERVES					
Called up share capital	11		2		2
Profit and loss account			51,608		59,820
SHAREHOLDERS' FUNDS			51,610		56,822

The director is satisfied that the company was entitled to exemption under subsection (1) of section 249A of the Companies Act 1985 and that no member or members have requested an audit pursuant to subsection (2) of section 249B in relation to the accounts for the financial year.

The director acknowledges his responsibilities for:

i ensuring that the company keeps accounting records which comply with section 221; and

ii 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 or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of this Act relating to accounts, 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 January 2005).

These financial statements were approved by the director on 31/1/07

G.V. Morgan

G.V.MORGAN - DIRECTOR

The annexed notes form part of these financial statements.

PROSYS COMPUTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 31 March 2006 which occurred before the date of approval of the financial statements by the director, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 March 2006 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Plant and machinery	-	20% per annum of cost
Fixtures and fittings	-	20% per annum of cost
Motor vehicles	-	25% per annum of cost

2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of goods and services supplied to customers during the year.

3. NET OPERATING EXPENSES

	2006 £	2005 £
Administrative expenses	380,062	315,494

PROSYS COMPUTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

4. **OPERATING PROFIT**

Operating profit is stated after charging/(crediting):

	2006	***2005***
	£	**£**
Directors' remuneration	6,000	12,000
Profit on sale of fixed assets	-	-
Depreciation and amortisation of owned assets	7,746	10,074

PROSYS COMPUTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

5. TAXATION

Analysis of charge in period	**2006**	**2005**
	£	**£**
Current tax:		
UK corporation tax on profits of the year	3,054	7,202
Total current tax	3,054	7,202
Deferred tax:		
Deferred tax at 19%	-	-
Prior year adjustment	-	-
Tax on profit on ordinary activities	3,054	7,202

Factors affecting tax charge for the period

The tax assessed for the year differs from the standard rate of corporation tax in the UK (19%). The differences are explained below:

	2006	**2005**
	£	**£**
Profit on ordinary activities before tax	12,842	37,289
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (19%)	2,440	7,085
Effects of		
Permanent timing differences	5	9
Prior year adjustment deferred tax	-	-
Deferred tax not provided for	609	451
Marginal rate of corporation tax	(1,611)	(488)
Additional tax due to distribution	1,611	145
Current tax charge for year	3,054	7,202

6. DIVIDENDS

	2006	**2005**
	£	**£**
On ordinary shares		
Final dividend paid	18,000	12,000

PROSYS COMPUTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

7. *TANGIBLE FIXED ASSETS*

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 April 2005	15,443	8,895	37,477	61,815
Additions	-	190	-	190
Disposals	-	-	-	-
At 31 March 2006	15,443	9,085	37,477	62,005
Depreciation				
At 1 April 2005	8,484	3,667	16,397	28,548
Charge for the year	1,392	1,084	5,270	7,746
Adjustments re. disposals	-	-	-	-
At 31 March 2006	9,876	4,751	21,667	36,294
Net book value				
At 31 March 2006	5,567	4,334	15,810	25,711
At 31 March 2005	*6,959*	*5,228*	*21,080*	*33,267*

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

8. DEBTORS

	2006 £	2005 £
Trade debtors	91,542	94,581
Section 419 tax recoverable	26,555	19,476
Other debtors	114,638	103,492
	232,735	217,549

9. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2006 £	2005 £
Bank loans and overdrafts	47,575	33,146
Obligations under finance leases and hire purchase contracts	8,088	8,088
Trade creditors	48,230	51,637
Corporation tax payable	43,496	40,442
Section 419 tax payable	26,555	19,476
Social security and other taxes	23,020	15,877
Other creditors	2,708	6,077
	199,672	174,743

10. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	2006 £	2005 £
Bank loans	5,368	6,876
Obligations under finance leases and hire purchase contracts	2,022	10,110
	7,390	16,986

Obligations under finance leases and hire purchase contracts are secured.

PROSYS COMPUTING LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2006 (CONT)

11. SHARE CAPITAL

	2006 £	2005 £
Authorised		
100 ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
2 ordinary shares of £1 each	2	2

12. TRANSACTIONS WITH DIRECTORS

Director's overdrawn current account

During the year the director had an overdrawn balance with the company as follows:

	2006 £
Balance outstanding at 1 April 2005	97,433
Maximum balance outstanding during the year	124,222
Balance outstanding at 31 March 2006	106,222

No interest has or will be charged on overdue amounts.