

**AUDITORS' REPORT TO TOTAL COMPUTER SUPPORT LIMITED
UNDER SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts set out on pages 3 to 6, together with the financial statements of the company for the year ended 31st December 2000 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 3 to 6 are properly prepared in accordance with those provisions.

Other Information

We reported, as auditors of Total Computer Support Limited, to the members on the financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31st December 2000 and our audit report was as follows:- We have audited the financial statements on pages 3 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.



**AUDITORS REPORT TO TOTAL COMPUTER SUPPORT LIMITED
PURSUANT TO PARAGRAPH OF SCHEDULE 8 TO THE COMPANIES ACT 1985
(Continued)**

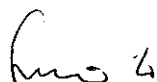
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Qualified Opinion

Included in Trade Debtors is an amount of £48,964 outstanding from an Associated Company Total Computer Support (Contrax) Limited. The company continues to trade with that company but the ability of that company to repay this debt is dependent on its future profitability. No provision has been made in the accounts for this debt. As the outcome of this debt depends on the future profitability of Total Computer Support (Contrax) Limited we are unable to say whether this debt will prove to be good.

Stock includes items valued at market value by the directors for which we have not received independent confirmation.

Except for the uncertainty concerning these items, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.



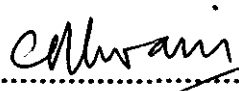
Smart & Co
Chartered Accountants and
Registered Auditors
17 Liverpool Road
Worthing
Sussex BN11 1SU

27th March 2001

TOTAL COMPUTER SUPPORT LIMITED
ABBREVIATED BALANCE SHEET AS AT 31ST DECEMBER 2000

	NOTES	£	2000 £	£	1999 £
FIXED ASSETS					
Tangible Assets	2		54,562		63,109
LEASED ASSETS	3		41,288		44,490
CURRENT ASSETS					
Stocks		70,071		80,764	
Debtors	4	351,695		367,449	
Cash in Bank		46,944		-	
Cash in Hand		194		51	
		<u>468,904</u>		<u>448,264</u>	
CREDITORS: amounts falling due within one year	5	<u>(297,986)</u>		<u>(254,235)</u>	
NET CURRENT ASSETS			<u>170,918</u>		<u>194,029</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			266,768		301,628
CREDITORS: amounts falling due after more than one year			<u>(115,071)</u>		<u>(157,857)</u>
NET ASSETS			<u>151,697</u>		<u>143,771</u>
CAPITAL AND RESERVES					
Called Up Share Capital	6		60,000		60,000
Profit and Loss Account			<u>91,697</u>		<u>83,771</u>
SHAREHOLDERS' FUNDS (Equity Interests)			<u>151,697</u>		<u>143,771</u>

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 and signed on its behalf.


..... Director
C R SWAIN
26/3/01
..... Date

The notes on pages 3 to 6 form part of these financial statements.

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors Report and all of which are continuing.

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.

The depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Plant and Equipment	50% reducing balance basis
Motor Vehicles	25% reducing balance basis

1.4 Lease and Hire Purchase

Assets purchased under lease and hire purchase contracts are capitalised as Tangible Fixed Assets and are depreciated over their useful lives. Assets obtained under lease hire agreements are capitalised as leased assets and are depreciated over the shorter of the lease term and their useful life. Obligations under such agreements are included in creditors net of the finance charge allocated to future period which are spread over the period of the lease.

1.5 Stocks

Stocks are valued at the lower of cost or market value after making due allowance for obsolete and slow-moving stocks.

1.6 Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes.

1.7 Pension

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.8 Operating Leases

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.

TOTAL COMPUTER SUPPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 2000

2. FIXED ASSETS

	Tangible Fixed Assets £
Cost	
At 1st January 2000	115,898
Additions	8,920
Disposals	-
At 31st December 2000	<u>124,818</u>
Depreciation	
At 1st January 2000	52,789
Additions	17,467
Disposals	-
At 31st December 2000	<u>70,256</u>
Net Book Values	
At 31st December 2000	<u>54,562</u>
At 31st December 1999	<u>63,109</u>

3. LEASED ASSETS

	£
Cost	
At 1st January 2000	59,132
Additions	21,840
Disposals	(20,374)
At 31st December 2000	<u>60,598</u>
Depreciation	
At 1st January 2000	14,642
Additions	11,304
Disposals	(6,636)
At 31st December 2000	<u>19,310</u>
Net Book Values	
At 31st December 2000	<u>41,288</u>
At 31st December 1999	<u>44,490</u>

4. DEBTORS

Debtors are all falling due within one year.

5. CREDITORS

Creditors include the following:	2000 £	1999 £
1. Repayment after more than five years	70,000	95,000
2. Secured Creditors	85,876	93,234

TOTAL COMPUTER SUPPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 2000

6. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised		
Ordinary Shares of £1 each	500,000	500,000
Allotted, Called Up and Fully Paid		
Ordinary Shares of £1 each	60,000	60,000

7. RELATED PARTY TRANSACTIONS

The company is under the control of C Swain and C D Larking.

The following material related party transactions took place during the year:-

(1) Executive Retirement Plan with Allied Dunbar Assurance plc.

- (a) Loan Interest paid to Allied Dunbar in 2000 £8,088 (£8,988-1999)
- (b) The Loan outstanding as at 31st December 2000 to Allied Dunbar was £70,000 (£95,000 - 1999).

(2) Total Computer Support (Contrax) Ltd

- (a) The balance outstanding from Total Computer Support (Contrax) Ltd as at 31st December 2000 was £48,964 (£92,392 - 1999).
- (b) An overhead charge levied of £2,975.

(3) C R Swain - Director

- (a) Rent of £30,000 (£30,000 - 1999) was paid to C R Swain who owns the Freehold of the premises used by the company.
- (b) C R Swain personally guarantees the bank overdraft and a charge is held over the freehold premises leased to the company.