

**INDEPENDENT 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 2002 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 independent 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 2002 and our audit report was as follows:-

We have audited the financial statements of Total Computer Support Limited for the year ended 31st December 2002 on pages 3 to 6. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 4.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the Statement of Directors' Responsibilities on page 1, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.



We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of Opinion

We conducted our audit in accordance with United Kingdom 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 judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

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 £46,607 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 2002 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Smart & Co

Smart & Co
Chartered Accountants and
Registered Auditors
17 Liverpool Road
Worthing
Sussex BN11 1SU
11th March, 2003

TOTAL COMPUTER SUPPORT LIMITED
ABBREVIATED BALANCE SHEET AS AT 31ST DECEMBER 2002

	NOTES	£	2002 £	£	2001 £
FIXED ASSETS					
Tangible Assets	2		12,215		47,246
LEASED ASSETS	3		11,344		15,280
CURRENT ASSETS					
Stocks		89,931		82,027	
Debtors	4	277,195		245,486	
Cash in Bank		2,385		60,011	
Cash in Hand		50		91	
		<u>369,561</u>		<u>387,615</u>	
CREDITORS: amounts falling due within one year	5	<u>(222,953)</u>		<u>(238,627)</u>	
NET CURRENT ASSETS			<u>146,608</u>		<u>148,988</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			170,167		211,514
CREDITORS: amounts falling due after more than one year			(59,945)		(63,945)
PROVISIONS FOR LIABILITIES AND CHARGES			<u>-</u>		<u>(66)</u>
NET ASSETS			<u>110,222</u>		<u>147,503</u>
CAPITAL AND RESERVES					
Called Up Share Capital	6		40,000		60,000
Profit and Loss Account			50,222		87,503
Capital Redemption Reserve	7		<u>20,000</u>		<u>-</u>
SHAREHOLDERS' FUNDS (Equity Interests)			<u>110,222</u>		<u>147,503</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
 7/3/2003 Date

The notes on pages 4 to 6 form part of these financial statements.

TOTAL COMPUTER SUPPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 2002

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

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which the timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

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 2002

2. FIXED ASSETS

	Tangible Fixed Assets
Cost	£
At 1st January 2002	131,263
Additions	220
Disposals	<u>(80,729)</u>
At 31st December 2002	<u>50,754</u>
Depreciation	
At 1st January 2002	84,017
Additions	8,948
Disposals	<u>(54,427)</u>
At 31st December 2002	<u>38,538</u>
Net Book Values	
At 31st December 2002	<u>12,216</u>
At 31st December 2001	<u>47,246</u>

3. LEASED ASSETS

Cost	£
At 1st January 2002	21,840
Additions	-
Disposals	-
At 31st December 2002	<u>21,840</u>
Depreciation	
At 1st January 2002	6,560
Additions	3,936
Disposals	-
At 31st December 2002	<u>10,496</u>
Net Book Values	
At 31st December 2002	<u>11,344</u>
At 31st December 2001	<u>15,280</u>

4. DEBTORS

Debtors are all falling due within one year.

5. CREDITORS

Creditors include the following:	2002	2001
	£	£
1. Repayment after more than five years	50,000	50,000
2. Secured Creditors	17,840	51,033

TOTAL COMPUTER SUPPORT LIMITED
NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED
31ST DECEMBER 2002

6. CALLED UP SHARE CAPITAL

	2002 £	2001 £
Authorised		
Ordinary Shares of £1 each	500,000	500,000
Allotted, Called Up and Fully Paid		
Ordinary Shares of £1 each	40,000	40,000

7. CAPITAL REDEMPTION RESERVE

	2002 £	2001 £
At 1st January 2002	-	-
Transfer from Profit and Loss Account	20,000	-
	<u>20,000</u>	<u>-</u>

8. 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 2001 £3,220 (£4,268-2001)
- (b) The Loan outstanding as at 31st December 2002 to Allied Dunbar was £50,000 (£50,000 - 2001).

(2) Total Computer Support (Contrax) Ltd

- (a) The balance outstanding from Total Computer Support (Contrax) Ltd as at 31st December 2002 was £46,607 (£47,069 - 2001).
- (b) An overhead charge levied of £100 (£425 - 2001).

(3) C R Swain - Director

- (a) Rent of £30,000 (£30,000 - 2001) 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.

(4) C D Larking - Director

- Mileage allowance totalling £2,042 was paid to director at agreed Inland Revenue rates.