ALTERNATIVE ENTERPRISES LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 2002

Registered Number 2739321 England and Wales

BRASSINGTON & CO
Chartered Accountants
600 High Road
Woodford Green
Essex IG8 OPS

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COMPANIES HOUSE 09/06/04

AUDITORS' REPORT TO THE COMPANY PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated financial statements on pages 2 to 5, together with the financial statements of the Company for the year ended 31 December 2002 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

The Directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and 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 financial statements and that the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

600 High Road
Woodford Green
Essex IG8 0PS

4 June 2004

BRASSINGTON & CO
Chartered Accountants
and Registered Auditors

ABBREVIATED BALANCE SHEET YEAR ENDED 31 DECEMBER 2002

	Note	2002 £	£	2001 £	£
FIXED ASSETS	**2**				
Tangible assets			78,890		83,638
CURRENT ASSETS					
Stocks		295,505		322,895	
Debtors	**3**	535,540		443,059	
Cash at bank and in hand		93		62,647	
		831,138		828,601	
CREDITORS: Amounts falling due within one year	**4**	(865,352)		(750,083)	
NET CURRENT (LIABILITIES)/ASSETS			(34,214)		78,518
TOTAL ASSETS LESS CURRENT LIABILITIES			44,676		162,156
CREDITORS: Amounts falling due after more than one year	**4**		(3,436)		(14,327)
			41,240		147,829
CAPITAL AND RESERVES					
Called-up equity share capital	**5**		40,000		40,000
Profit and loss account			1,240		107,829
SHAREHOLDERS' FUNDS			41,240		147,829

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

PAUL TOAL

S. BRIDGEWATER

Approved by the Board on: 4-6-04.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2002

1. ACCOUNTING POLICIES

Basis of accounting
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).

Turnover
Turnover represents amounts derived from the provision of goods and services, exclusive of Value Added Tax.

Cash flow statements
The Directors have taken advantage of the exemption not to produce a cash flow statement on the grounds that the Company meets the requirements of a small company under the Companies Act 1985.

Depreciation
Depreciation is provided on a straight line basis to write off the cost of tangible fixed assets, less the estimated residual value, in equal annual instalments over their estimated useful lives. The annual rates are:

Rental equipment	33%
Fixtures and fittings	20%
Computer equipment	33%
Motor vehicles	25% - 33%

Rental equipment
Equipment leased to customers under operating leases are recorded as fixed assets and depreciated over their useful lives. The rental income is recognised on a straight line basis.

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase agreements
Assets held under hire purchase agreements are capitalised at their fair value on the inception of the contract and depreciated over their estimated useful lives. The hire purchase charges are allocated over the period of the contract in proportion to the capital amount outstanding.

Finance lease agreements
Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign exchange
Transactions in foreign currencies are translated into sterling at the exchange rates ruling at the date the transaction is processed by the bank. The treatment of foreign currency transactions under the Financial Reporting Standard for Small Entities has not been complied with as the Directors consider that the costs of compliance outweigh the benefits of calculating the disclosure.

(continued)

1. ACCOUNTING POLICIES (continued)

Deferred taxation
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, and gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold;

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 tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Pension costs
The company operates a defined contribution pension scheme for Directors and certain employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

2. TANGIBLE FIXED ASSETS

	Total £
COST	
At 1 January 2002	228,590
Additions	65,097
Disposals	(66,445)
At 31 December 2002	227,242
DEPRECIATION	
At 1 January 2002	144,952
Charge for year	36,330
On disposals	(32,930)
At 31 December 2002	148,352
NET BOOK VALUE	
At 31 December 2002	78,890
At 31 December 2001	83,638

3. DEBTORS

Debtors include amounts of £81,880 (2001 - £41,880) falling due after more than one year.

4. CREDITORS

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002	2001
	£	£
Trade creditors	214,157	315,259
Net obligations under hire purchase contracts	10,897	35,094
	225,054	350,353

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002	2001
	£	£
Net obligations under hire purchase contracts	3,436	14,327

5. SHARE CAPITAL

	2002	2001
	£	£
Authorised share capital:		
100,000 Ordinary shares of £1.00 each	100,000	100,000
Allotted, called up and fully paid:		
Ordinary share capital brought forward	40,000	40,000

6. TRANSACTIONS WITH DIRECTORS

The Board of Directors has authorised the granting of interest free loans to Directors of the Company as follows:-

i. During the year P Toal was granted various additional loans amounting to £73,430. The maximum amount outstanding in the year was £75,220. As at the year end the total amount of the loans outstanding was £63,220 (2001 - £5,790).

ii. During the year S Bridgewater was granted various additional loans amounting to £7,000. The maximum amount outstanding in the year was £12,040. As at the year end the total amount of the loans outstanding was £6,740 (2001 - £9,040).

iii. During the year there was no movement on the loan to K Morrison from the Company. The maximum amount outstanding in the year was £8,130. As at the year end the total amount of the loans outstanding was £8,130 (2001 - £8,130).