STOCKLINK (UK) LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 NOVEMBER 2004

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STOCKLINK (UK) LIMITED

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FOR THE YEAR ENDED 30 NOVEMBER 2004

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STOCKLINK (UK) LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 30 NOVEMBER 2004

DIRECTORS :	C ALCOCK D VANNS
SECRETARY	MRS J ALCOCK
REGISTERED OFFICE	Whitehouse Farm Upperthorpe Road Westwoodside Doncaster DN9 2AQ
REGISTERED NUMBER	4583321

STOCKLINK (UK) LIMITED

DIRECTORS REPORT

FOR THE YEAR ENDED 30 NOVEMBER 2004

The directors present their report with the financial statements of the Company for the year ended 30 November 2003.

Principle Activities
The principle activity of the company during the year was wholesale of office machinery and equipment

Minilabs
During the previous financial year our policy was always to visit Japan and inspect used photographic minilabs ahead of purchase.

Minilabs we purchased that year proved to be good quality so in an attempt to reduce travel costs and save agents commission in the current year we changed our policy to purchase Minilab sets from descriptions and photographs, this led to a series of unsuccessful purchases. This year we purchased three Minilab sets, only one has been successfully refurbished and sold.

Two of the Minilab sets proved to be impossible to refurbish. We had to write off two film processors on receipt, initial examination showed a level of refurbishment was required that meant the cost of refurbishing would be higher than their re-sale value.

We attempted refurbishing the two film printers from the sets, but they proved to be impossible to get to operating reliably. After spending time and money on these we decided the cheapest option was to write them off

Sales suffered as a result of the unreliable stock purchased. We spent time atempting to repair minilabs when we should have seeking new customers and selling equipment. The lack of saleable stock further hampered sales. In light of this experience our sourcing policy for the next trading year will return to visiting suppliers and inspecting stock before purchasing

Stock Taking System.
Software development is still being commissioned from our software supplier to refine the price file configuration, product file merging, scanning accuracy and data matching. The report writing function requires further development.

To assist cash flow our software programmer has agreed to defer development costs for later payment from future sales.

The systems sold into Weldricks continue to perform well due to the orderly nature of their stock management.
We are progressing the software into remote order taking and rolling warehouse stock verification variants.

The stock taking system sold to Day Lewis group had a series of implementation issues due to their complicated product data files - We spent 6 months resolving these issues. They did pay the full purchase price of their system after delaying payment for 3 months Their system has been working effectively for most of this financial year and on that basis I believe we have no outstanding liability to them.

The stocktaking system sold to Lo's pharmacy group performed effectively almost immediately. There were a few configuration issues but these required only a small amount of software amendment.

Negotiation with AAH, that they sell the system nationally via their sales team dragged into this year before agreement was finally made. We saw this as an opportunity to market and sell nationally with a partner whose customers represent 38% of the UK pharmacy market Unfortunately they have not actually achieved any sales, any effective leads, or appear to be generating any interest.

Our approach this financial year is to withdraw from the arrangement with AAH and seek a new sales partner.

Motorbikes
Our experiment in importing motorbikes from China proved to be unsuccessful. While there was considerable interest in the low price we could buy and sell at we found reliability of the product was completely unacceptable.
From the first sale customer complaints were received and all resulted in replacement parts being supplied.
Examination of customer complaints revealed reliability problems. Some of the off road bikes were completely destroyed after only a few days riding. Whether this was due to product quality or unrealistic expectations of the purchasers was difficult to establish.

We also failed to find any insurer prepared to offer us liability insurance. Due to all these problems encountered we decided to withdraw from importing the bikes. As we were not able to insure ourselves against risk from selling the bikes we decided the only responsible choice was to dispose of the stock and write off the consignment.

Digital C-Carrier
We purchased one of these for trails in converting minilabs from chemical to digital capability. Our engineer found a degree of difficulty in installing the product so I visited our supplier in China to deal with those issues. The result of this is we have agreed a strategic arrangement in product development with the manufacturer.
As the product does not a carry a CE mark so we will obtain and hold CE registration for the EU as preferred importer.
Work progresses well on product testing, software development and CE registration.

Spares and Photographic accessories
This product area performed well. All stock received was reliable and sales are steady.

Directors and Directors interests
The directors who held office during the year and their beneficial interests in the ordinary share capital of the company were as follows:

	Ordinary shares of £1 each
C Alcock	49
DL Vanns	50

On behalf of the Board

J Alcock
Company secretary



Whitehouse Farm
Upperthorpe Road
Westwoodside
Doncaster

STOCKLINK (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2004

	Notes	2004 £	2003 £
TURNOVER	1	135971	147439
Cost of sales		79733	121339
GROSS PROFIT		56238	26100
Administration expenses		28785	19255
OPERATING PROFIT		27453	6845
Interest receivable		-436	0
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		27889	6845
Tax on profit on ordinary activities	3	4250	
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		23639	6845

STOCKLINK (UK) LIMITED

BALANCE SHEET

AS AT 30 NOVEMBER 2004

	Notes	2004 £	2004 £	2003 £	2003 £	
FIXED ASSETS	4		16071			
CURRENT ASSETS						
Stocks	1	7547		5613		
Debtors	5	10789		6980		
Cash at bank and in hand		30973		4439		
		49309		17032		
CREDITORS: amounts falling due within one year	6	34796		10087		
NET CURRENT ASSETS			14513		6945	
NET ASSETS			30584		6945	
CAPITAL AND RESERVES						
Called up share capital	7		100		100	
Profit an loss account			30484		6845	
SHAREHOLDERS FUNDS			30584		6945	0.68

For the year ended 30 November 2004 the company was entitled to exemption under section 249A(1) of the Companies Act 1985.

The members have not required the company to obtain an audit of its financial statements for the year ended 30 November 2004 in accordance with Section 249B(2) of the Companies Act 1985.

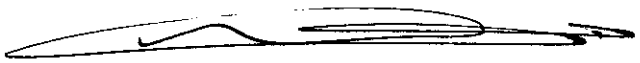
The directors acknowledge their responsibility for:

(a) ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and

(b) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of each financial year ,and of its profit or loss for each financial year, in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to the financial statements, so far as applicable to the company.

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

ON BEHALF OF THE BOARD



C Alcock - Director

Approved by the Board on

STOCKLINK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 NOVEMBER 2004

1 ACCOUNTING POLICIES

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention.

Turnover
Turnover repesents net invoiced sales of goods, excluding value added tax.

Stocks
Stocks are stated at the lower of cost and net realisable value. Net realisable value is the value which would be realised from the disposal of the stocks in the ordinary course of business.

2 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2004	2003
	£	£
Profit on ordinary activities before taxation is stated after charging		
Depreciation	4261	nil

3 TAXATION

	£	£
The tax charge on the profit on activities for the year was as follows:		
UK Corporation tax	4250	

4 TANGIBLE FIXED ASSETS

	Leasehold Premises	Fixtures & Fittings	Computer Equipment	Total
	£	£	£	£
Cost				
Additions	12190	4259	3883	20332
At 30 november 2004	12190	4259	3883	20332
Depreciation				
Charge for the year	2438	852	971	4261
At 30 november 2004	2438	852	971	4261
Net Book Value				
At 30 november 2004	9752	3407	2912	16071

5 DEBTORS

	£	£
Trade Debtors	7491	1896
Other Debtors	3298	5084
	10789	6980

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	£	£
Trade Creditors	1207	2678
Other Creditors	4374	2709
Accruals	24965	4700
Corporation Tax	4250	
	34796	10087

7 CALLED UP SHARE CAPITAL

	£	£
Authorised		
Ordinary shares of £1 each	100	100
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100

8 PROFIT AND LOSS ACCOUNT

	£	£
At 1 December	6845	
Retained profit for the year	23639	6845
At 30th November	30484	6845

STOCKLINK (UK) LIMITED

TRADING AND PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 NOVEMBER 2004

	£	£	£	£
Sales		135971		147439
Cost of sales				
Opening Stock	5613			
Purchases	76453		120542	
Freight handling	3240		4766	
Haulage and delivery	1974		1644	
Closing stock	(7547)		(5613)	
		79732.7		121339
Gross Profit		56238.3		26100
Expenditure				
Agents fees and commission	13626.9		11992	
Telephone, postage and stationary	712		228	
Advertising and marketing	0		1255	
Travel and accomodation	2486		2826	
Entertaining	305		244	
Computer and software costs	66		1889	
Research and Development	4750			
Legal fees	168		65	
Accountancy	500		500	
Bank charges	609		209	
Insurance	1302			
Depreciation	4260			
Provision for bad debts			47	
		28784.9		19255
Net Profit		27453.4		6845

1823.5