

Registration Number 173621

MAGNACOM LIMITED

Directors' Report and Financial Statements

for the year ended 31 July 2002



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MAGNACOM LIMITED

Company Information

Directors	Scott McArdle
Secretary	Mary Faulds McArdle
Company Number	173621
Registered Office	Crossford Mill Beith Road Johnstone PA10 2NS
Accountants	J F Miller & Company 21 Westminster Terrace Glasgow G3 7RU
Business Address	Crossford Mill Beith Road Johnstone PA10 2NS

MAGNACOM LIMITED

Directors' Report for the year ended 31 July 2002

The directors present their report and the financial statements for the year ended 31 July 2002.

Principal Activity

The principal activity of the company was the supply of computer hardware and software and associated peripherals .

Directors and their Interests

The directors who served during the year and their interests in the company are as stated below:

	Ordinary shares	
	2002	2001
Scott McArdle	1,000	1,000

Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are 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.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the Board on 27 February 2003 and signed on its behalf by



Mary Faulds McArdle
Secretary

MAGNACOM LIMITED

**Accountants' Report to the Shareholders on the Unaudited Financial Statements
of MAGNACOM LIMITED**

We report on the financial statements for the year ended 31 July 2002 set out on pages 3 to 9

Respective responsibilities of directors and reporting accountants

As described on page the company's directors are responsible for the preparation of financial statements, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the financial statements with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- (a) the financial statements are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
 - (i) the financial statements have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the financial statements for the year specified in Section 249A(4) of the Act and did not, at any time within that , fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1)



J F Miller & Company
Chartered Accountants and
Reporting Accountants
27 February 2003

MAGNACOM LIMITED

Profit and Loss Account for the year ended 31 July 2002

		Continuing operations	
		Continuing operations	
		2002	2001
	Notes	£	£
Turnover	2	136,212	392,607
Cost of sales		(74,600)	(251,439)
Gross profit		<u>61,612</u>	<u>141,168</u>
Administrative expenses		(69,553)	(89,767)
Operating	3	<u>(7,941)</u>	<u>51,401</u>
Interest receivable and similar income		1,370	1,660
Interest payable and similar charges	4	<u>(748)</u>	<u>(748)</u>
on ordinary activities before taxation		(7,319)	52,313
Tax on on ordinary activities	7	<u>-</u>	<u>(10,188)</u>
on ordinary activities after taxation		(7,319)	42,125
Dividends		(10,000)	(10,000)
for the year		<u>(17,319)</u>	<u>32,125</u>
Retained profit brought forward		122,520	90,397
Retained profit carried forward		<u>105,201</u>	<u>122,522</u>

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 9 form an integral part of these financial statements.

MAGNACOM LIMITED

Balance Sheet as at 31 July 2002

		2002		2001	
	Notes	£	£	£	£
Fixed assets					
Tangible assets	8		4,408		5,805
Current assets					
Stocks	9	1,307		2,122	
Debtors	10	25,655		30,537	
Cash at bank and in hand		104,687		136,740	
		<u>131,649</u>		<u>169,399</u>	
Creditors: amounts falling due within one year	11	<u>(29,856)</u>		<u>(51,682)</u>	
Net current assets			<u>101,793</u>		<u>117,717</u>
Total assets less current liabilities			<u>106,201</u>		<u>123,522</u>
Capital and reserves					
Called up share capital	12		1,000		1,000
Profit and loss account			<u>105,201</u>		<u>122,522</u>
Equity shareholders' funds	13		<u>106,201</u>		<u>123,522</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 9 form an integral part of these financial statements.

MAGNACOM LIMITED

Balance Sheet (continued)

**Directors' statements required by Section 249B(4)
for the year ended 31 July 2002**

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31 July 2002 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the Board on 27 February 2003 and signed on its behalf by



Scott McArdle
Director

The notes on pages 6 to 9 form an integral part of these financial statements.

MAGNACOM LIMITED

Notes to the Financial Statements for the year ended 31 July 2002

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

1.2. Turnover

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

1.3. Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures and fittings	-	20% Reducing balance
Motor vehicles	-	25% Reducing balance

1.4. Stock

Stock is valued at the lower of cost and net realisable value.

1.5. Pensions

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating

	2002	2001
	£	£
Operating is stated after charging:		
Depreciation and other amounts written off tangible assets	<u>1,397</u>	<u>1,844</u>

4. Interest payable and similar charges

	2002	2001
	£	£
On bank loans and overdrafts	<u>748</u>	<u>748</u>

MAGNACOM LIMITED

Notes to the Financial Statements for the year ended 31 July 2002

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5. Directors' emoluments

	2002	2001
	£	£
Remuneration and other benefits	<u>22,200</u>	<u>20,000</u>

6. Pension costs

The company operates a defined contribution pension scheme in respect of the directors. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £3,232 (2001 - £NIL).

7. Taxation	2002	2001
	£	£
UK current year taxation		
UK Corporation Tax	<u>-</u>	<u>10,188</u>

8. Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Motor vehicles	Total
	£	£	£	£
Cost				
At 31 July 2001				
At 31 July 2002	<u>5,565</u>	<u>2,394</u>	<u>6,281</u>	<u>14,240</u>
Depreciation				
At 31 July 2001	5,565	1,300	1,570	8,435
Charge for the year	<u>-</u>	<u>219</u>	<u>1,178</u>	<u>1,397</u>
At 31 July 2002	<u>5,565</u>	<u>1,519</u>	<u>2,748</u>	<u>9,832</u>
Net book values				
At 31 July 2002	<u>-</u>	<u>875</u>	<u>3,533</u>	<u>4,408</u>
At 31 July 2001	<u>-</u>	<u>1,094</u>	<u>4,711</u>	<u>5,805</u>

MAGNACOM LIMITED

Notes to the Financial Statements for the year ended 31 July 2002

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9. Stocks	2002	2001
	£	£
Consumable stock	<u>1,307</u>	<u>2,122</u>
Stock is stated at the lower of cost and net realisable value.		
10. Debtors	2002	2001
	£	£
Trade debtors	24,455	29,433
Prepayments and accrued income	<u>1,200</u>	<u>1,104</u>
	<u>25,655</u>	<u>30,537</u>
11. Creditors: amounts falling due within one year	2002	2001
	£	£
Trade creditors	4,903	8,787
Corporation tax	-	10,188
Other taxes and social security costs	2,287	9,858
Directors' accounts	10,748	10,748
Accruals and deferred income	<u>11,918</u>	<u>12,101</u>
	<u>29,856</u>	<u>51,682</u>
12. Share capital	2002	2001
	£	£
Authorised equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid equity		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

MAGNACOM LIMITED

**Notes to the Financial Statements
for the year ended 31 July 2002**

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13. Reconciliation of movements in shareholders' funds

	2002	2001
	£	£
for the year	(7,319)	42,125
Dividends	(10,000)	(10,000)
	<u>(17,319)</u>	<u>32,125</u>
Opening shareholders' funds	123,520	91,397
	<u><u>106,201</u></u>	<u><u>123,522</u></u>