

**ARACHNA COMPUTING AND DESIGN LIMITED**

**DIRECTOR'S REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2003**

**Company No. 3898665 (England and Wales)**



**ARACHNA COMPUTING AND DESIGN LIMITED****FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 DECEMBER 2003**

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**COMPANY INFORMATION**

<b>Director</b>	C Cogdell
<b>Secretary</b>	Mrs M. Cogdell
<b>Company Number</b>	3898665 (England and Wales)
<b>Registered Office</b>	53 Conham Hill Hanham Bristol BS15 3AW
<b>Accountants</b>	Harwood, Lane & Co Chartered Accountants Units 1 - 4 Crossley Farm Business Centre Swan Lane Winterbourne Bristol BS36 1RH

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statutory accounts:*

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**ARACHNA COMPUTING AND DESIGN LIMITED****DIRECTORS' REPORT FOR THE PERIOD ENDED 31 DECEMBER 2003**

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The Director presents his report and the financial statements for the period ended 31 December 2003.

**Principal Activity**

The company's principal activity continues to be that of computer hardware and software consultancy and supply.

**Directors**

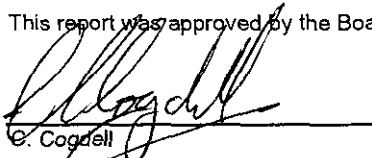
The Director at 31 December 2003 and his interest in the share capital of the company was as follows:

	<b>At 31 December 2003</b>	<b>At 31 December 2002</b>
	Ordinary Shares	Ordinary Shares
C. Cogdell	1	1

**Small Company Rules**

*This report has been 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 15 September 2005 and signed on its behalf.

  
C. Cogdell  
Director

**ARACHNA COMPUTING AND DESIGN LIMITED****ACCOUNTANTS' REPORT TO THE DIRECTOR  
ON THE UNAUDITED ACCOUNTS OF ARACHNA COMPUTING AND DESIGN LIMITED**

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In accordance with the engagement letter dated 09 September, 2005, and in order to assist you to fulfill your duties under the Companies Act 1985, we have compiled the financial statements of the company which comprise the Profit and Loss Account and Balance Sheet and the related notes from the accounting records and information and explanations you have given to us.

This report is made to the Company's Board of Directors, as a body, in accordance with the terms of our engagement. Our work has been undertaken so that we might compile the financial statements that we have been engaged to compile, report to the Company's Board of Directors that we have done so, and state those matters that we have agreed to state to them in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Board of Directors, as a body, for our work or for this report.

We have carried out this engagement in accordance with technical guidance issued by the Institute of Chartered Accountants in England and Wales and have complied with the ethical guidance laid down by the Institute relating to members undertaking the compilation of financial statements.

You have acknowledged on the balance sheet your duty to ensure that the company has kept proper accounting records and to prepare financial statements for the year ended 31 December, 2003 that give a true and fair view under the Companies Act 1985. You consider that the company is exempt from the statutory requirement for an audit for the year.

We have not been instructed to carry out an audit of the financial statements. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the financial statements.



**HARWOOD, LANE & CO**  
**CHARTERED ACCOUNTANTS**  
Units 1-4  
Crossley Farm Business Centre  
Swan Lane  
Winterbourne  
Bristol  
BS36 1RH

15 September 2005

**ARACHNA COMPUTING AND DESIGN LIMITED**  
**FOR THE PERIOD ENDED 31 DECEMBER 2003**

	Notes	2003	2002
TURNOVER	1,2	20,422	28,788
Cost of Sales		(10,197)	(17,616)
<b>Gross Profit</b>		<b>10,225</b>	<b>11,172</b>
Distribution Costs		0	0
Administrative Expenses		(8,503)	(8,175)
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE INTEREST</b>	<b>3</b>	<b>1,722</b>	<b>2,997</b>
Interest Receivable		33	4
Interest Payable		0	0
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,755</b>	<b>3,001</b>
<b>TAXATION ON PROFIT ON ORDINARY ACTIVITIES</b>	<b>4</b>	<b>(132)</b>	<b>(224)</b>
<b>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</b>		<b>1,623</b>	<b>2,777</b>
DIVIDENDS		0	0
<b>RETAINED PROFIT for the Year</b>		<b>1,623</b>	<b>2,777</b>
<b>RETAINED PROFIT brought forward</b>		<b>3,416</b>	<b>639</b>
<b>RETAINED PROFIT carried forward</b>		<b>£5,039</b>	<b>£3,416</b>

The notes on pages 7 to 9 form part of these financial statements.

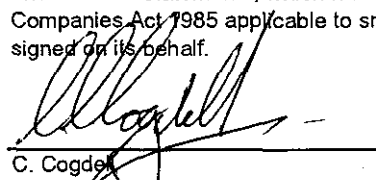
## ARACHNA COMPUTING AND DESIGN LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 2003

	Notes	2003	2002
<b>FIXED ASSETS</b>			
Tangible Assets	5	2,768	1,670
<b>CURRENT ASSETS</b>			
Stocks		0	0
Debtors	6	865	2,971
Cash at Bank and in Hand		4,362	2,857
		<u>5,227</u>	<u>5,828</u>
<b>CREDITORS: amounts falling due within one year</b>	7	(2,430)	(3,747)
<b>NET CURRENT ASSETS (LIABILITIES)</b>		<u>2,797</u>	<u>2,081</u>
<b>PROVISION FOR LIABILITIES AND CHARGES</b>			
Deferred Taxation	9	(525)	(334)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>£5,040</b>	<b>£3,417</b>
<b>CAPITAL AND RESERVES</b>			
Called Up Share Capital	8	1	1
Profit and Loss Account		5,039	3,416
<b>SHAREHOLDERS' FUNDS</b>		<b>£5,040</b>	<b>£3,417</b>

The Director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of Section 249(A)(1) of the Companies Act 1985. Members have not required the company under Section 249(B)(2) of the Companies Act 1985, to obtain an audit for the period ended 31 December 2003. The Director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31 December 2003 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 requirements of the Act relating to the accounts so far as applicable to the company.

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 on 15 September 2005 and signed on its behalf.

  
C. Cogden  
Director

The notes on pages 7 to 9 form part of these financial statements.

**ARACHNA COMPUTING AND DESIGN LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 DECEMBER 2003****1 ACCOUNTING POLICIES****1.1 Basis of Preparation of Financial Statements**

The financial statements are prepared under the historical cost convention and in accordance with the *Financial Reporting Standard for Smaller Entities (effective June 2002)*.

**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.

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

Computer Equipment	20% Reducing Balance Method
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**1.4 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 they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. *Deferred taxation is measured on a non-discounted basis at the average tax rates that would apply when the timing differences are expected to reverse, based on tax rates and laws that have been enacted by the balance sheet date.*

**2 TURNOVER**

In the period to 31 December 2003, 0% (2002 - 0%) of the company's turnover was derived from markets outside the United Kingdom.

**3 OPERATING PROFIT**

The Operating Profit is stated after charging:

	2003	2002
Depreciation of Tangible Fixed Assets		
- Owned by the Company	691	418

**4 TAXATION**

	2003	2002
UK Corporation Tax	0	60
Over Provided in Prior Periods	(59)	0
Transfer to (from) Deferred Taxation	191	164

<b>£132</b>
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<b>£224</b>
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## ARACHNA COMPUTING AND DESIGN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2003

## 5 TANGIBLE FIXED ASSETS

## COST

As at 01 January 2003	2,566
Additions	1,789
At 31 December 2003	4,355

## DEPRECIATION

As at 01 January 2003	896
Charge for Year	691
At 31 December 2003	1,587

## NET BOOK VALUES

At 31 December 2003	£2,768
At 31 December 2002	£1,670

## 6 DEBTORS

2003

2002

## Due within one year

Trade Debtors	865	2,971
Other Debtors	0	0
	£865	£2,971

7 CREDITORS: AMOUNTS FALLING DUE  
WITHIN ONE YEAR

2003

2002

Trade Creditors	0	0
Corporation Tax	0	955
Other Creditors	2,430	2,792
	£2,430	£3,747

## 8 SHARE CAPITAL

2003

2002

## Authorised

Ordinary Shares of £1 each	100	100
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## Allotted, Called Up and Fully Paid

Ordinary Shares of £1 each	1	1
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**ARACHNA COMPUTING AND DESIGN LIMITED****NOTES TO THE FINANCIAL STATEMENTS****FOR THE PERIOD ENDED 31 DECEMBER 2003**

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<b>9</b>	<b>DEFERRED TAXATION</b>	<b>2003</b>	<b>2002</b>
	Balance at 01 January 2003	334	170
	Charge (Credit) for the year	191	164
	Balance at 31 December 2003	<b>£525</b>	<b>£334</b>

The provision for deferred taxation is made up of accelerated capital allowances.

**10 RELATED PARTIES**

The controlling party is C Cogdell by virtue of his ownership of 100% of the issued ordinary share capital in the company.

**ARACHNA COMPUTING AND DESIGN LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE PERIOD ENDED 31 DECEMBER 2003**

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*The following page does not form part of the statutory accounts*

## ARACHNA COMPUTING AND DESIGN LIMITED

## DETAILED PROFIT AND LOSS ACCOUNT

FOR THE PERIOD ENDED 31 DECEMBER 2003

	2003	2002
<b>TURNOVER</b>	20,422	28,788
<b>COST OF SALES</b>		
Equipment Purchases	8,543	15,967
Other Direct Costs	1,654	1,649
	<u>10,197</u>	<u>17,616</u>
<b>Gross Profit</b>	10,225	11,172
<b>Interest Received</b>	33	4
<b>OVERHEADS</b>		
Advertising	1,905	2,415
Subscriptions	36	24
Accountancy	822	822
Travel	2,712	1,960
Printing, Postage and Stationery	250	64
Office Computer Consumables	1,538	1,766
Bank Charges	99	89
Sundry Expenses	15	15
Depreciation	691	418
Telephone	0	402
Companies House Late Filing Fee	120	200
Bad Debts	315	0
	<u>8,503</u>	<u>8,175</u>
<b>PROFIT FOR THE PERIOD</b>	<b>£1,755</b>	<b>£3,001</b>