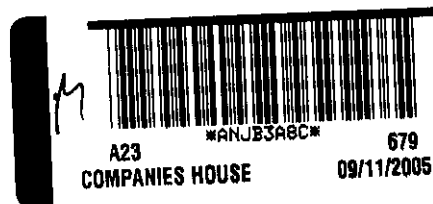


Registration number 2231837 (England & Wales)

Ram Peripherals Limited

Director's report and financial statements

for the year ended 31st December 2004



Ram Peripherals Limited

Company information

Director	Ramalingam Gnanasekaran, Esq.
Secretary	Delojana Gnanasekaran (Mrs)
Company number	2231837 (England & Wales)
Registered office and Business address	14 Lombard Road Merton London SW19 3TZ
Auditors	Riordan O'Sullivan & Co Chartered Certified Accountants & Registered Auditors 40 Chamberlayne Road London NW10 3JE
Bankers	Allied Irish Bank (GB) 201 - 203 The Broadway Wimbledon London SW19 1FF
Solicitors	Armstrong & Co 2 Dartmouth Road Forest Hill London SE23 3XU

Ram Peripherals Limited

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Ram Peripherals Limited
Director's report
for the year ended 31st December 2004

The director presents his report and the financial statements for the year ended 31st December 2004.

Principal activity and review of the business

The principal activity of the company is that of marketing of computer peripherals.

Results and dividends

The results for the year are set out on page 3.

An interim dividend amounting to £300,000 was voted and paid during the year. The board does not recommend payment of a final dividend.

Director and his interest

The director who served during the year and his beneficial interest in the company is as stated below:

	Ordinary shares	
	2004	2003
Ramalingam Gnanasekaran, Esq.	-	100

Director's responsibilities

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

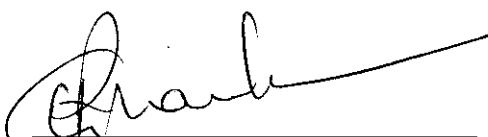
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

Auditors

The auditors, Riordan O'Sullivan & Co are deemed to be re-appointed in accordance with Section 386(1) of the Companies Act 1985 by virtue of an elective resolution passed by the members on 12th May 2003.

This report was approved by the Board on 4th November 2005 and signed on its behalf by:



Ramalingam Gnanasekaran, Esq.
Director

Ram Peripherals Limited

Independent auditors' report to the shareholders of Ram Peripherals Limited

We have audited the financial statements of Ram Peripherals Limited for the year ended 31st December 2004 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of director and auditors

As described in the Statement of Directors' Responsibilities on page 1, the company's director is responsible for the preparation of the 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 in 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 we became aware of any apparent misstatements within it, 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.

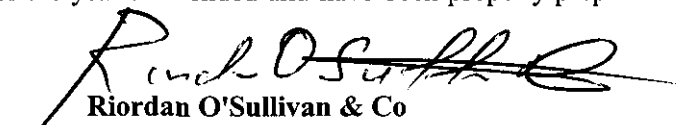
Basis of audit opinion

We conducted our audit in accordance with 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 judgements made by the director 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


Riordan O'Sullivan & Co
Chartered Certified Accountants and
Registered Auditors
40 Chamberlayne Road
London
NW10 3JE

Date: 4th November 2005

Ram Peripherals Limited

Profit and Loss Account for the year ended 31st December 2004

		2004	2003
	Notes	£	£
Turnover	2	3,966,129	3,113,208
Cost of sales		(2,706,188)	(2,090,321)
Gross profit		1,259,941	1,022,887
Administrative expenses		(655,300)	(560,108)
Other income		5,661	-
Operating profit	3	610,302	462,779
Interest receivable	4	28,854	19,511
Interest payable	5	(4,038)	(2,252)
Profit on ordinary activities before taxation		635,118	480,038
Tax on profit on ordinary activities	7	(206,158)	(145,392)
Profit on ordinary activities after taxation		428,960	334,646
Dividends	8	(300,000)	(270,000)
Retained profit for the year		128,960	64,646
Retained profit brought forward		683,147	618,501
Retained profit carried forward		812,107	683,147

There are no recognised gains or losses other than the profits as set out above.

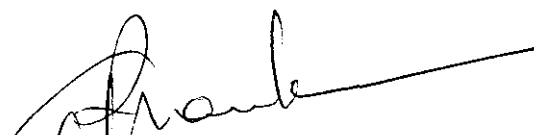
The notes on pages 6 to 14 form an integral part of these financial statements.

Ram Peripherals Limited

Balance Sheet as at 31st December 2004

		2004		2003	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	9		397,093		287,592
Investments	10		140		140
			<u>397,233</u>		<u>287,732</u>
Current Assets					
Stocks	11	41,488		31,735	
Debtors	12	723,981		583,838	
Cash at bank and in hand		1,336,755		1,093,095	
		<u>2,102,224</u>		<u>1,708,668</u>	
Creditors: amounts falling due within one year	13	<u>(1,252,345)</u>		<u>(931,253)</u>	
Net Current Assets			<u>849,879</u>		<u>777,415</u>
Total Assets Less Current Liabilities			1,247,112		1,065,147
Creditors: amounts falling due after more than one year	14		(27,847)		(20,000)
Provisions for liabilities and charges	15		<u>(407,058)</u>		<u>(361,900)</u>
Net Assets			<u><u>812,207</u></u>		<u><u>683,247</u></u>
Capital and Reserves					
Called up share capital	16		100		100
Profit and loss account			812,107		683,147
Equity shareholders' funds	17		<u><u>812,207</u></u>		<u><u>683,247</u></u>

The financial statements were approved by the Board on 4th November 2005 and signed on its behalf by:


 Ramalingam Gnanasekaran, Esq.
 Director

The notes on pages 6 to 14 form an integral part of these financial statements.

Ram Peripherals Limited

Cash flow statement for the year ended 31st December 2004

	Notes	2004 £	2003 £
Reconciliation of operating profit to net cash inflow from operating activities			
Operating profit		610,302	462,779
Depreciation and loss on disposal		71,928	57,770
(Increase) / decrease in stocks		(9,753)	1,994
(Increase) / decrease in debtors		(140,143)	40,429
Increase / (decrease) in creditors		249,670	(21,324)
Increase in provisions		45,158	18,066
Net cash inflow from operating activities		827,162	559,714

CASH FLOW STATEMENT

Net cash inflow from operating activities		827,162	559,714
Returns on investments and servicing of finance	21	24,816	17,259
Taxation	21	(145,391)	(92,426)
Capital expenditure	21	(119,929)	(34,018)
		586,658	450,529
Equity dividends paid	21	(300,000)	(270,000)
		286,658	180,529
Financing	21	(38,977)	(19,893)
Increase in cash in the year		247,681	160,636

Reconciliation of net cash flow to movement in net funds (Note 22)

Increase in cash in the year		247,681	160,636
Cash outflow from increase in debts and lease financing		38,977	19,983
Change in net funds resulting from cash flows		286,658	180,619
Capital element of finance leases and hire purchase contracts		(61,500)	(45,000)
Movement in net funds in the year		225,158	135,619
Net fund at 1st January 2004		1,040,331	904,712
Net fund at 31st December 2004		1,265,489	1,040,331

Ram Peripherals Limited

Notes to the financial statements for the year ended 31st December 2004

1. Accounting policies

1.1. Accounting convention

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

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:

Land and buildings	-	No depreciation
Plant and machinery	-	25% Reducing balance
Fixtures, fittings and equipment	-	20% Reducing balance
Motor vehicles	-	25% Reducing balance
Office equipments	-	15% Reducing balance

1.4. Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce constant periodic rates of charge on the net obligations outstanding in each period.

1.5. Investments

Fixed asset investments are stated at cost less provision for diminution in value.

1.6. Stock

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

1.7. 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. In accordance with FRS19, deferred tax is not recognised on revaluation gains. 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.

Ram Peripherals Limited

Notes to the financial statements for the year ended 31st December 2004

..... continued

1.8. Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are translated at the date of the transactions. All differences are taken to the Profit and Loss account.

1.9. Provisions for liabilities and charges

Provision is made for potential liabilities arising from product guarantees on the I.T. hardware sales at a rate of 25% of the sales value during the guarantee period (one year).

1.10. Group accounts

The company is entitled to the exemption under Section 248 of the Companies Act 1985 from the obligation to prepare group accounts.

2. Turnover

The total turnover of the company for the year has been derived from its principal activity mainly undertaken in the UK and from continuing operations.

3. Operating profit

	2004	2003
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	61,131	53,588
Loss on disposal of tangible fixed assets	10,797	4,182
Auditors' remuneration	6,500	6,500
	<u> </u>	<u> </u>
and after crediting:		
Profit on foreign currency translations	(3,733)	(5,318)
	<u> </u>	<u> </u>

4. Interest receivable

	2004	2003
	£	£
Bank interest	28,854	19,511
	<u> </u>	<u> </u>

5. Interest payable

	2004	2003
	£	£
Hire purchase interest	3,890	2,101
On overdue tax	148	151
	<u> </u>	<u> </u>
	4,038	2,252
	<u> </u>	<u> </u>

Ram Peripherals Limited

Notes to the financial statements for the year ended 31st December 2004

..... continued

6. Employment costs

	2004 £	2003 £
Wages and salaries	370,899	344,418
Social security costs	47,603	40,232
	<u>418,502</u>	<u>384,650</u>

6.1. Director's emoluments

	2004 £	2003 £
Remuneration	<u>90,000</u>	<u>90,000</u>

7. Tax on profit on ordinary activities

Analysis of charge in the year

	2004 £	2003 £
UK corporation tax	206,158	145,392
Tax charge for the year	<u>206,158</u>	<u>145,392</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than the standard rate of corporation tax in the UK (30 per cent). The differences are explained below:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>635,118</u>	<u>480,038</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2003 : 30%)	190,535	144,011
Expenses not deductible for tax purposes	10,976	4,656
Excess of depreciation over capital allowance	4,647	(2,889)
Marginal relief	-	(386)
Tax charge for the year	<u>206,158</u>	<u>145,392</u>

Ram Peripherals Limited

Notes to the financial statements for the year ended 31st December 2004

..... continued

8.	Dividends			2004 £	2003 £	
	Dividends on equity shares:					
	Ordinary shares - interim paid			300,000	270,000	
9.	Tangible fixed assets	Land and buildings freehold £	Plant and machinery £	Fixtures, fittings and equipment £	Motor vehicles £	Total £
	Cost					
	At 1st January 2004	102,312	82,390	140,323	229,698	554,723
	Additions	96,022	782	170	90,455	187,429
	Disposals	-	-	-	(70,790)	(70,790)
	At 31st December 2004	198,334	83,172	140,493	249,363	671,362
	Depreciation					
	At 1st January 2004	-	47,546	92,807	126,778	267,131
	On disposals	-	-	-	(53,993)	(53,993)
	Charge for the year	-	8,907	8,080	44,144	61,131
	At 31st December 2004	-	56,453	100,887	116,929	274,269
	Net book values					
	At 31st December 2004	198,334	26,719	39,606	132,434	397,093
	At 31st December 2003	102,312	34,844	47,516	102,920	287,592

Included above are assets held under finance leases or hire purchase contracts as follows:

	2004		2003	
Asset description	Net book value £	Depreciation charge £	Net book value £	Depreciation charge £
Motor vehicles	<u>99,332</u>	<u>33,112</u>	<u>55,789</u>	<u>18,596</u>

Ram Peripherals Limited

Notes to the financial statements for the year ended 31st December 2004

..... continued

10. Fixed asset investments	Subsidiary undertakings shares £	Total £
Cost		
At 1st January 2004 and At 31st December 2004	140	140
Net book values		
At 31st December 2004	140	140
At 31st December 2003	140	140

10.1. Holdings of 20% or more

The company holds 20% or more of the share capital of the following company:

Company	Country of registration or incorporation	Nature of business	Shares held class	Proportion of shares held
Ram Technologies Limited	Republic of Ireland	Sale and service of Computer hardware	Ordinary	100%

The aggregate amount of capital and reserves and the results of the undertaking for the last relevant financial year was as follows:

	Capital and reserves £	Profit for the year £
Ram Technologies Limited	506,896	256,649

11. Stocks	2004 £	2003 £
Finished goods and goods for resale	41,488	31,735

Ram Peripherals Limited

Notes to the financial statements for the year ended 31st December 2004

..... continued

12. Debtors	2004 £	2003 £
Trade debtors	535,574	413,306
Amounts owed by group undertaking	124,687	86,583
Other debtors	56,345	72,990
Prepayments	7,375	10,959
	<u>723,981</u>	<u>583,838</u>
13. Creditors: amounts falling due within one year	2004 £	2003 £
Bank overdraft	7,919	11,940
Net obligations under finance leases and hire purchase contracts	35,500	20,824
Trade creditors	649,250	476,472
Amounts owed to group undertaking	66,667	-
Corporation tax	206,158	145,392
Other taxes and social security costs	121,699	100,863
Director's accounts	5,919	485
Other creditors	32,667	31,680
Accruals and deferred income	126,566	143,597
	<u>1,252,345</u>	<u>931,253</u>
14. Creditors: amounts falling due after more than one year	2004 £	2003 £
Net obligations under finance leases and hire purchase contracts	<u>27,847</u>	<u>20,000</u>

Ram Peripherals Limited

Notes to the financial statements for the year ended 31st December 2004

..... continued

15 Provisions for liabilities and charges

	Other provisions £
At 1st January 2004	361,900
Net additions	45,158
At 31st December 2004	<u>407,058</u>

Other provisions relate to product guarantees on I.T. hardware sales.

16. Share capital	2004 £	2003 £
Authorised equity		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
Allotted, called up and fully paid equity		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>
 17. Reconciliation of movements in shareholders' funds	 2004 £	 2003 £
Profit for the year	428,960	334,646
Dividends	(300,000)	(270,000)
	<u>128,960</u>	<u>64,646</u>
Net proceeds of equity share issue	-	90
Net addition to shareholders' funds	<u>128,960</u>	<u>64,736</u>
Opening shareholders' funds	683,247	618,511
Closing shareholders' funds	<u>812,207</u>	<u>683,247</u>

Ram Peripherals Limited
Notes to the financial statements
for the year ended 31st December 2004

..... continued

18. Related party transactions

During the year the company transacted business, at normal commercial rates, with Ram Technologies Limited (an Irish incorporated and resident subsidiary trading company). At the balance sheet date, the following amounts were owed on normal trading activities to/(from) Ram Peripherals Limited.

	2003	2002
	£	£
Ram Technologies Limited	(66,667)	86,583
Ram France SAS	97,687	-
Ling Software Services Limited	27,000	-
	<u>58,020</u>	<u>86,583</u>

19. Controlling Party

During the year the company became a 100% subsidiary of Ram Estate Holdings Limited which is incorporated in and resident of the United Kingdom. Mr. Ramalingam Gnanasekaran, by virtue of his beneficial ownership of the entire issued share capital of Ram Estate Holdings Limited continues to be the ultimate controller.

20. Post balance sheet events

There were no events since the year end which materially affected the company.

Ram Peripherals Limited

Notes to the financial statements for the year ended 31st December 2004

..... continued

21. Gross cash flows

	2004 £	2003 £
Returns on investments and servicing of finance		
Interest received	28,854	19,511
Interest paid	(4,038)	(2,252)
	<u>24,816</u>	<u>17,259</u>
Taxation		
Corporation tax paid	(145,391)	(92,426)
	<u>(145,391)</u>	<u>(92,426)</u>
Capital expenditure		
Payments to acquire tangible assets	(125,929)	(45,518)
Receipts from sales of tangible assets	6,000	11,500
	<u>(119,929)</u>	<u>(34,018)</u>
Dividend		
Equity dividend paid	300,000	270,000
	<u>300,000</u>	<u>270,000</u>
Financing		
Issue of ordinary share capital	-	90
Capital element of finance leases and hire purchase contracts	(38,977)	(19,983)
	<u>(38,977)</u>	<u>(19,893)</u>

22. Analysis of changes in net funds

	Opening balance £	Cash flows £	Other changes £	Closing balance £
Cash at bank and in hand	1,093,095	243,660	-	1,336,755
Overdrafts	(11,940)	4,021	-	(7,919)
	<u>1,081,155</u>	<u>247,681</u>	<u>-</u>	<u>1,328,836</u>
Finance leases and hire purchase contracts	(40,824)	38,977	(61,500)	(63,347)
Net funds	<u>1,040,331</u>	<u>286,658</u>	<u>(61,500)</u>	<u>1,265,489</u>