

CONTINUITY SYSTEMS LIMITED

REPORT AND ACCOUNTS

for the year ended

31 December 2004

UNAUDITED



CONTINUITY SYSTEMS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2004

The directors have pleasure in presenting their report and the accounts for the year ended 31 December 2004.

PRINCIPAL ACTIVITY

The principal activity of the Company continues to be the provision of disaster recovery services.

DIRECTORS

The directors in office throughout the year and their beneficial interests in the issued share capital of the Company were as follows:

	31 December 2004	1 January 2004
I. Charters	100	100
Mrs G. R. Charters	-	-

No rights have been granted or exercised entitling the directors to subscribe for shares in the Company.

EXEMPTION

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

By Order of the Board,

I. Charters

I. Charters
Secretary

Harrogate
12 April 2005

CONTINUITY SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT - UNAUDITED
FOR THE YEAR ENDED 31 DECEMBER 2004

	Notes	2004	2003
		£	£
TURNOVER	2	67,380	38,887
Cost of sales		552	840
GROSS PROFIT		66,828	38,047
Administrative expenses		27,782	33,003
Selling and marketing expenses		3,828	5,213
		31,610	38,216
OPERATING PROFIT/(LOSS)	3	35,218	(169)
Income from investments		74	29
PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		35,292	(140)
Tax on profit/loss on ordinary activities	4	6,211	(144)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		29,081	4
PROFIT FOR THE FINANCIAL YEAR		29,081	4
Dividends		29,000	8,000
PROFIT/(LOSS) FOR THE YEAR	10	£ 81	£ (7,996)

The notes on pages 4 to 6 form part of these accounts.

CONTINUITY SYSTEMS LIMITED

BALANCE SHEET - UNAUDITED

31 DECEMBER 2004

	Notes	2004		2003	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		5,672		6,183
CURRENT ASSETS					
Debtors	6	14,025		3,027	
Cash at bank and in hand		7,059		8,076	
		<hr/>		<hr/>	
		21,084		11,103	
CREDITORS: amounts falling due within one year	7	13,083		3,270	
		<hr/>		<hr/>	
NET CURRENT ASSETS			8,001		7,833
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			13,673		14,016
PROVISIONS FOR LIABILITIES AND CHARGES					
Deferred taxation	8		384		808
			<hr/>		<hr/>
NET ASSETS			£ 13,289		£ 13,208
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	9		100		100
Profit and loss account	10		13,189		13,108
			<hr/>		<hr/>
SHAREHOLDERS' FUNDS			£ 13,289		£ 13,208
			<hr/>		<hr/>

In the directors' opinion the Company was entitled under section 249A(1) of the Companies Act 1985 to exemption from the audit of its accounts for the year ended 31 December 2004. No notice from members requiring an audit has been deposited under section 249B(2) of the Companies Act 1985 in relation to its accounts for the financial year.

The directors are responsible for ensuring that the Company keeps accounting records which comply with section 221 of the Act and for 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 and loss for each year in accordance with the requirements of section 226 of the Act and which otherwise comply with its requirements, so far as applicable to the Company.

The accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and the Financial Reporting Standard for Smaller Entities (effective June 2002).

Approved by the Board on 12 April 2005
and signed on its behalf by:



Mrs G. R. Charters
Director

Harrogate

The notes on pages 4 to 6 form part of these accounts.

CONTINUITY SYSTEMS LIMITED

NOTES TO THE ACCOUNTS - UNAUDITED
FOR THE YEAR ENDED 31 DECEMBER 2004

1. ACCOUNTING POLICIES

a) Basis of Accounting

The accounts are prepared under the historical cost convention and in accordance with:

- i) the Financial Reporting Standard for Smaller Entities (effective June 2002); and
- ii) the special provisions of Part VII of the Companies Act 1985 relating to small companies.

b) Depreciation

Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and equipment	- at 25% reducing balance
Fixtures and fittings	- at 25% reducing balance

c) Deferred Taxation

Deferred tax arises as a result of including items of income and expenditure in taxation computations in periods different from those in which they are included in the company's accounts. Deferred tax is provided in full on timing differences which result in an obligation to pay more (or less) tax at a future date, at an average tax rates that are expected to apply when the timing differences reverse, based on current tax rates and laws.

d) Pension Costs

Contributions made to the directors' personal pension schemes by the Company are charged to the profit and loss account as incurred.

2. TURNOVER

Turnover represents the net amount invoiced to customers less trade discounts, excluding value added tax and sales of fixed assets. Turnover arose wholly within the United Kingdom.

3. OPERATING PROFIT/(LOSS)

	2004 £	2003 £
This is stated after charging:		
Depreciation	1,891	2,061
Directors' emoluments	13,900	21,000
	<hr/>	<hr/>

CONTINUITY SYSTEMS LIMITED

NOTES TO THE ACCOUNTS - UNAUDITED
FOR THE YEAR ENDED 31 DECEMBER 2004

	2004 £	2003 £
4. TAX ON PROFIT/LOSS ON ORDINARY ACTIVITIES		
The total tax charge for the year is:		
Corporation tax	6,635	-
Deferred taxation	(424)	(144)
	<u>£ 6,211</u>	<u>£ (144)</u>
5. TANGIBLE FIXED ASSETS		
	<i>Plant and machinery etc</i> £	
Cost:		
1 January 2004	17,097	
Additions at cost	1,380	
	<u>18,477</u>	
31 December 2004	<u>18,477</u>	
Depreciation:		
1 January 2004	10,914	
Provision for year	1,891	
	<u>12,805</u>	
31 December 2004	<u>12,805</u>	
Net book values:		
31 December 2004	<u>£ 5,672</u>	
31 December 2003	<u>£ 6,183</u>	
6. DEBTORS		
Trade debtors	12,896	1,919
Other debtors	1,129	1,108
	<u>£ 14,025</u>	<u>£ 3,027</u>
7. CREDITORS: amounts falling due within one year		
Taxation and social security	10,015	2,191
Other creditors	3,068	1,079
	<u>£ 13,083</u>	<u>£ 3,270</u>

CONTINUITY SYSTEMS LIMITED

NOTES TO THE ACCOUNTS - UNAUDITED
FOR THE YEAR ENDED 31 DECEMBER 2004

8. DEFERRED TAXATION

Deferred taxation provided in the accounts, and the total potential liability including the amounts for which provision has been made, is as follows:

	2004		2003	
	Full potential liability	Provided in accounts	Full potential liability	Provided in accounts
Timing differences arising from:				
Accelerated tax depreciation allowances	£ 384	£ 384	£ 808	£ 808

Movement in the provision

	£
Provision at 1 January 2004	808
Transfer to profit and loss account	(424)
Provision at 31 December 2004	£ 384

9. CALLED UP SHARE CAPITAL

	2004	2003
Authorised:		
Ordinary shares of £1 each	£ 2,000	£ 2,000
Allotted, called up and fully paid:		
Ordinary shares of £1 each	£ 100	£ 100

10. PROFIT AND LOSS ACCOUNT

	£
1 January 2004	13,208
Retained profit for the year	81
31 December 2004	£ 13,289

11. RELATED PARTIES

The company is controlled by Mr. I. Charters, a director of the company.

Included in other creditors at the year end is a loan to the Company from the director Mr. I. Charters for £2,338 (2003: £373). This loan is interest free and repayable on demand.