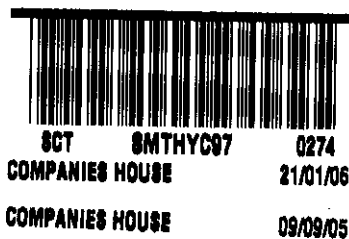


AVERON BUSINESS CENTRE LIMITED
REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 OCTOBER 2004



AVERON BUSINESS CENTRE LIMITED

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for the year ended 31 October 2004

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AVERON BUSINESS CENTRE LIMITED

COMPANY INFORMATION
for the year ended 31 October 2004

DIRECTORS:

J A D Hanson
Mrs M Hanson

SECRETARY:

Mrs M Hanson

REGISTERED OFFICE:

Carnaby Lodge
Ferry Road
DINGWALL
Ross-shire
IV15 9JS

REGISTERED NUMBER:

141040 (Scotland)

ACCOUNTANTS:

MacKenzie Kerr
Chartered Accountants
Redwood
19 Culduthel Road
Inverness
IV2 4AA

AVERON BUSINESS CENTRE LIMITED

REPORT OF THE DIRECTORS for the year ended 31 October 2004

The directors present their report with the financial statements of the company for the year ended 31 October 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of supplying office stationery and furniture, typewriters, word processors, photocopiers and all other types of office equipment. There is also a service facility, whereby repairs and maintenance of office equipment can be accommodated.

DIRECTORS

The directors during the year under review were:

J A D Hanson
Mrs M Hanson

The beneficial interests of the directors holding office on 31 October 2004 in the issued share capital of the company were as follows:

	31.10.04	1.11.03
Ordinary £1.00 shares		
J A D Hanson	9,500	9,500
Mrs M Hanson	8,400	8,400

STATEMENT OF DIRECTORS' RESPONSIBILITIES

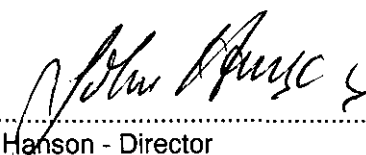
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


.....
J A D Hanson - Director

Date: 25 March 2005

AVERON BUSINESS CENTRE LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 October 2004

	Notes	2004 £	2003 £
TURNOVER	2	210,558	225,386
Cost of sales		155,806	152,994
GROSS PROFIT		54,752	72,392
Administrative expenses		51,696	110,863
OPERATING PROFIT/(LOSS)	3	3,056	(38,471)
Interest receivable and similar income		9	-
		3,065	(38,471)
Interest payable and similar charges		10,120	6,417
LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION		(7,055)	(44,888)
Tax on loss on ordinary activities	4	-	-
LOSS FOR THE FINANCIAL YEAR AFTER TAXATION		(7,055)	(44,888)
Dividends	5	-	3,000
DEFICIT FOR THE YEAR		(7,055)	(47,888)

The notes form part of these financial statements

AVERON BUSINESS CENTRE LIMITED**BALANCE SHEET**
31 October 2004

	Notes	2004 £	£	2003 £	£
FIXED ASSETS					
Tangible assets	6		30,480		36,563
CURRENT ASSETS					
Stocks		31,500		26,500	
Debtors	7	26,032		35,238	
Cash at bank and in hand		472		360	
		<u>58,004</u>		<u>62,098</u>	
CREDITORS					
Amounts falling due within one year	8	<u>75,794</u>		<u>76,836</u>	
NET CURRENT LIABILITIES			<u>(17,790)</u>		<u>(14,738)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			12,690		21,825
CREDITORS					
Amounts falling due after more than one year	9		<u>32,784</u>		<u>34,864</u>
			<u>(20,094)</u>		<u>(13,039)</u>
CAPITAL AND RESERVES					
Called up share capital	12		18,000		18,000
Profit and loss account	13		<u>(38,094)</u>		<u>(31,039)</u>
SHAREHOLDERS' FUNDS			<u>(20,094)</u>		<u>(13,039)</u>

The notes form part of these financial statements

AVERON BUSINESS CENTRE LIMITED

BALANCE SHEET - continued
31 October 2004

The company is entitled to exemption from audit under Section 249A(1) of the Companies Act 1985 for the year ended 31 October 2004.

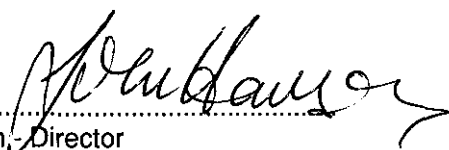
The members have not required the company to obtain an audit of its financial statements for the year ended 31 October 2004 in accordance with Section 249B(2) of the Companies Act 1985.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985 and
- (b) preparing financial statements 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 financial statements, so far as applicable to the company.

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

ON BEHALF OF THE BOARD:


.....
J A D Hanson, Director

Approved by the Board on 25 March 2005

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 October 2004**

1. ACCOUNTING POLICIES

Fundamental Accounting Concept

The company meets its day to day capital requirements through an overdraft facility which is repayable on demand and the directors consider it is appropriate to prepare the accounts on the going concern basis. However, should future funding become unavailable, the going concern basis may be invalid and adjustments would have to be made to reduce the value of assets to their recoverable amount, to provide for any further liabilities which might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Accounting convention

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

Turnover

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

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Computer equipment	- 25% on cost
Fixtures and fittings	- 10% on cost
Number plates	- not provided

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. TURNOVER

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

3. OPERATING PROFIT/(LOSS)

The operating profit (2003 - operating loss) is stated after charging:

	2004	2003
	£	£
Depreciation - owned assets	8,483	8,484
Depreciation - assets on hire purchase contracts	800	-
Loss on disposal of fixed assets	-	18,467
	<u> </u>	<u> </u>
Directors' emoluments	14,144	41,861
	<u> </u>	<u> </u>

AVERON BUSINESS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued **for the year ended 31 October 2004**

4. TAXATION

No liability to UK corporation tax arose on ordinary activities for the year ended 31 October 2004 nor for the year ended 31 October 2003 due to the availability of tax losses.

5. DIVIDENDS

	2004 £	2003 £
Final	-	3,000

6. TANGIBLE FIXED ASSETS

	Computer equipment £	Fixtures and fittings £	Number plates £	Totals £
COST				
At 1 November 2003	-	84,833	495	85,328
Additions	3,200	-	-	3,200
At 31 October 2004	3,200	84,833	495	88,528
DEPRECIATION				
At 1 November 2003	-	48,765	-	48,765
Charge for year	800	8,483	-	9,283
At 31 October 2004	800	57,248	-	58,048
NET BOOK VALUE				
At 31 October 2004	2,400	27,585	495	30,480
At 31 October 2003	-	36,068	495	36,563

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Computer equipment £
COST	
Additions	3,200
At 31 October 2004	3,200
DEPRECIATION	
Charge for year	800
At 31 October 2004	800
NET BOOK VALUE	
At 31 October 2004	2,400

AVERON BUSINESS CENTRE LIMITED

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 October 2004

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Trade debtors	20,837	34,389
Other debtors	5,195	849
	<u>26,032</u>	<u>35,238</u>

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2004	2003
	£	£
Bank loans and overdrafts	27,300	29,936
Hire purchase contracts	1,253	2,196
Trade creditors	30,745	26,879
Taxation and social security	10,186	9,942
Other creditors	6,310	7,883
	<u>75,794</u>	<u>76,836</u>

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2004	2003
	£	£
Bank loans	31,568	34,864
Hire purchase contracts	1,216	-
	<u>32,784</u>	<u>34,864</u>

10. OPERATING LEASE COMMITMENTS

The following operating lease payments are committed to be paid within one year:

	2004	2003
	£	£
Expiring:		
Within one year	2,959	-
Between one and five years	2,388	-
	<u>5,347</u>	<u>-</u>

AVERON BUSINESS CENTRE LIMITED**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 October 2004****11. SECURED DEBTS**

The following secured debts are included within creditors:

	2004 £	2003 £
Bank overdrafts	18,003	20,639
Bank loans	40,865	44,161
Hire purchase	2,469	2,196
	<u>61,337</u>	<u>66,996</u>

The bank overdraft is secured by a floating charge and standard security over the company's assets. The bank term loan is secured over the directors' personal residence.

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2004 £	2003 £
18,000	Ordinary	£1.00	<u>18,000</u>	<u>18,000</u>

13. RESERVES

	Profit and loss account £
At 1 November 2003	(31,039)
Deficit for the year	<u>(7,055)</u>
At 31 October 2004	<u>(38,094)</u>

14. CONTINGENT LIABILITIES

The company is obliged to carry out repairs and servicing on photocopiers during periods covered by purchased warranty plans. We are unable to quantify this contingency.

15. TRANSACTIONS WITH DIRECTORS

The following loan from the directors during the year ended 31 October 2004:

	£
Mr and Mrs Hanson	
Balance due to the directors at the start of the year	27
Balance due from the directors at the end of the year	4,712
Maximum balance outstanding during year	<u>4,712</u>

16. ULTIMATE CONTROLLING PARTY

The company is under the control of J A D Hanson who owns 53% of the issued share capital.