

REGISTRARS COPY

Dataline Software Limited
Directors' Report and Accounts
Year ended 30 June 2000

Company Registration No. 1717921 (England and Wales)



Dataline Software Limited

Company Information

Directors

A A Bleach
J P Cuthbert

Secretary

J P Cuthbert

Company number

1717921

Registered office

Nile House, Nile Street
Brighton
East Sussex
BN1 1PH

Business address

Suite 6 Clarence House
30-31 North Street
Brighton
East Sussex
BN1 1BE

Auditors

BDO Stoy Hayward
Nile House, Nile Street
Brighton
East Sussex
BN1 1PH

Dataline Software Limited

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Dataline Software Limited

Directors' Report

Year ended 30 June 2000

The directors present their report and financial statements for the year ended 30 June 2000.

Directors

The following directors have held office since 1 July 1999:

A A Bleach
J P Cuthbert

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 period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and then 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.

Principal activities

The principal activity of the company continued to be the provision of technical services to corporate clients in the client/server business application and SQL database arena.

Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £ 1 each	
	30 June 2000	1 July 1999
A A Bleach	54	54
J P Cuthbert	36	36

Auditors

In accordance with section 385 of the Companies Act 1985, a resolution proposing that BDO Stoy Hayward be reappointed as auditors of the company will be put to the Annual General Meeting.

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 P Cuthbert

Director

19 Jan '01

Dataline Software Limited

Auditors' Report

To the Shareholders of Dataline Software Limited

We have audited the financial statements on pages 3 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

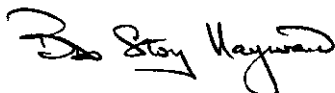
Basis of opinion

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 directors 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 30 June 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO Stoy Hayward

Chartered Accountants
Registered Auditors

Brighton

22/4/2001.....

Dataline Software Limited

Profit and Loss Account Year ended 30 June 2000

	Notes	2000 £	1999 £
Turnover	2	703,212	470,843
Raw materials and other consumables		98,762	58,135
		<u>604,450</u>	<u>412,708</u>
Staff costs		315,819	240,005
Depreciation and amortisation		16,809	16,987
Other operating charges		120,929	145,358
		<u>453,557</u>	<u>402,350</u>
Operating profit	3	150,893	10,358
Other interest receivable and similar income	4	1,692	2,095
Interest payable and similar charges	5	855	557
		<u></u>	<u></u>
Profit on ordinary activities before taxation		151,730	11,896
Tax on profit on ordinary activities	7	30,905	4,028
		<u></u>	<u></u>
Profit on ordinary activities after taxation		120,825	7,868
Dividends		48,000	-
		<u></u>	<u></u>
Retained profit for the year	13	<u>72,825</u>	<u>7,868</u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains or losses other than those passing through the profit and loss account.

Dataline Software Limited

Balance Sheet As at 30 June 2000

	Notes	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	8		33,633		38,917
Current assets					
Stocks		21,318		9,778	
Debtors	9	159,572		27,053	
Cash at bank and in hand		71,014		65,257	
		251,904		102,088	
Creditors: amounts falling due within one year	10	(218,939)		(145,482)	
Net current assets/(liabilities)			32,965		(43,394)
Total assets less current liabilities			66,598		(4,477)
Creditors: amounts falling due after more than one year	11		(3,199)		(4,949)
			63,399		(9,426)
Capital and reserves					
Called up share capital	12		100		100
Profit and loss account	13		63,299		(9,526)
Shareholders' funds - equity interests	14		63,399		(9,426)

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The accounts were approved by the Board on 19th Jun '01



A A Bleach
Director

Dataline Software Limited

Notes to the Accounts Year ended 30 June 2000

1 Accounting policies

1.1 Accounting convention

The accounts are prepared under the historical cost convention and in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

1.2 Turnover

Turnover comprises sales in the ordinary course of business to external customers for goods supplied and services provided, exclusive of value added tax.

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 less estimated residual value of each asset over its expected useful life, as follows:

Fixtures, fittings & equipment	20%-33% straight line
Motor vehicles	25% straight line

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 a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Stocks and work in progress

Work in progress is valued at the lower of cost and net realisable value.

1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

1.8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

Dataline Software Limited

Notes to the Accounts Year ended 30 June 2000

1.9 Long term contracts

Long term contract work in progress is classified in the balance sheet as stocks stated at total costs incurred, net of amounts transferred to the profit and loss account in respect of work carried out to the balance sheet date. Full provision is made for any foreseeable losses.

Revenue which relates to work carried out to the balance date including an appropriate proportion of foreseeable profit, is included in turnover. The amount by which turnover exceeds payments on account is classified within debtors as "amounts recoverable on contracts".

1.10 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

2 Turnover

In the year to 30 June 2000 55.00% (1999 - 54.00%) of the company's turnover was to markets outside the United Kingdom.

3 Operating profit	2000	1999
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	16,809	16,987
Operating lease rentals	13,000	12,857
Auditors' remuneration	3,700	1,750
Directors' emoluments	92,851	84,566

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (1999 - 2).

4 Other interest receivable and similar income	2000	1999
	£	£
Bank interest	1,692	2,095

5 Interest payable and similar charges	2000	1999
	£	£
On bank loans and overdrafts	41	-
Hire purchase interest	814	557
	855	557

Dataline Software Limited

Notes to the Accounts Year ended 30 June 2000

6 Transactions with directors

The following directors had interest free loans during the year. The movement on these loans are as follows:

	Amount outstanding		Maximum
	2000	1999	in year
	£	£	£
A A Bleach	5,500	-	5,500
J P Cuthbert	5,500	-	5,500

7 Taxation

	2000	1999
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (1999 - 21%)	31,500	4,000
Prior years		
U.K. corporation tax	(595)	28
	<u>30,905</u>	<u>4,028</u>

Dataline Software Limited

Notes to the Accounts Year ended 30 June 2000

8 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 July 1999	148,529
Additions	11,525
At 30 June 2000	160,054
Depreciation	
At 1 July 1999	109,612
Charge for the year	16,809
At 30 June 2000	126,421
Net book value	
At 30 June 2000	33,633
At 30 June 1999	38,917

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

	Motor vehicles £
Net book values	
At 30 June 2000	7,406
At 30 June 1999	10,481
Depreciation charge for the year	
30 June 2000	3,075
30 June 1999	1,819

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Notes to the Accounts Year ended 30 June 2000

9 Debtors	2000	1999
	£	£
Trade debtors	45,178	23,401
Other debtors	114,394	3,652
	<u>159,572</u>	<u>27,053</u>

10 Creditors: amounts falling due within one year	2000	1999
	£	£
Net obligations under finance lease and hire purchase contracts	1,750	2,801
Trade creditors	9,385	925
Taxation and social security	64,633	18,988
Other creditors	143,171	122,768
	<u>218,939</u>	<u>145,482</u>

11 Creditors: amounts falling due after more than one year	2000	1999
	£	£
Net obligations under finance leases and hire purchase agreements	<u>3,199</u>	<u>4,949</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	3,615	3,615
Repayable between one and five years	1,807	5,422
	<u>5,422</u>	<u>9,037</u>
Finance charges and interest allocated to future accounting periods	(473)	(1,287)
	<u>4,949</u>	<u>7,750</u>
Included in liabilities falling due within one year	(1,750)	(2,801)
	<u>3,199</u>	<u>4,949</u>

Dataline Software Limited

Notes to the Accounts Year ended 30 June 2000

12 Share capital	2000 £	1999 £
Authorised		
100 Ordinary shares of £ 1 each	100	100
	<u>100</u>	<u>100</u>
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100
	<u>100</u>	<u>100</u>

13 Statement of movements on profit and loss account

	£
Balance at 1 July 1999	(9,526)
Retained profit for the year	72,825
	<u>63,299</u>
Balance at 30 June 2000	<u>63,299</u>

14 Reconciliation of movements in shareholders' funds	2000 £	1999 £
Profit for the financial year	120,825	7,868
Dividends	(48,000)	-
	<u>72,825</u>	<u>7,868</u>
Net addition to shareholders' funds	(9,426)	(17,294)
Opening shareholders' funds	63,399	(9,426)
	<u>63,399</u>	<u>(9,426)</u>

15 Major contract

At 30 June 2000 the company had received advance non refundable payments of £114,650 and had provided for the receipt of a further £78,937 relating to a contract ending during the following financial year. A provision of £55,000 has been made for future support costs relating to this contract. This has resulted in a total net credit to the Profit and Loss Account of £138,587 in 2000.

During the year, the profit and loss account also received a credit of £41,140 relating to advance royalties received last year relating to this financial year. In addition, the company received an engineering charge arising from this agreement amounting to £64,304 in 2000 (1999: £130,086).

In accordance with the company's accounting policy, all development costs relating to these projects have been written off to the profit and loss account in the year in which they were incurred.

Dataline Software Limited

Notes to the Accounts Year ended 30 June 2000

16 Financial commitments

At 30 June 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2000	1999
	£	£
Expiry date:		
Between two and five years	<u>9,718</u>	<u>9,718</u>

17 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £17,059 (1999 : £15,612).

18 Control

As shown in the directors' report, the company is under the control of its directors Messrs A A Bleach and J P Cuthbert.

19 Related party transactions

During the year Ms L Johnson, who is the wife of Mr A A Bleach received a salary of £Nil (1999: £9,250) from the company in her position as personal assistant to the managing director.

Included in Other Debtors at 30th June 2000 are the following amounts which represent loans paid to the directors and shareholder:

A A Bleach (director)	£5,500
J P Cuthbert (director)	£5,500
M Robinson (shareholder)	£6,600

These amounts have been repaid since the year end.