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Dataline Software Limited

Financial Statements

Year ended 30 June 2001

Company Registration No. 1717921 (England and Wales)



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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 2001

The directors present their report and financial statements for the year ended 30 June 2001.

Directors
The following directors have held office since 1 July 2000:

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.

The company's planned adaptation of these services to the emerging internet marketplace continues, and several projects relating to the provision of internet solutions have been successfully undertaken for corporate clients during the year.

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

	Ordinary shares of £ 1 each	
	30 June 2001	**1 July 2000**
A A Bleach	54	54
J P Cuthbert	36	36

Charitable contributions
During the year the company made charitable donations of £718 (2000 : £0).

Directors' Report
Year ended 30 June 2001

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
21 December 2001

Dataline Software Limited

Independent Auditors' Report
To the Shareholders of Dataline Software Limited

We have audited the financial statements of Dataline Software Limited on pages 4 to 12 for the year ended 30 June 2001. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of the directors and auditors
As described in the statement of directors' responsibilities on page 1 the company's directors are 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 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 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.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom 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 2001 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
4 February 2002

Dataline Software Limited

Profit and Loss Account
Year ended 30 June 2001

	Notes	2001 £	2000 £
Turnover	2	639,046	703,212
Raw materials and other consumables		61,888	98,762
		577,158	604,450
Staff costs		320,985	315,819
Depreciation and amortisation		21,344	16,809
Other operating charges		195,524	120,929
		537,853	453,557
Operating profit	3	39,305	150,893
Other interest receivable and similar income	4	949	1,692
Interest payable and similar charges	5	799	855
Profit on ordinary activities before taxation		39,455	151,730
Tax on profit on ordinary activities	6	6,791	30,905
Profit on ordinary activities after taxation		32,664	120,825
Dividends		34,500	48,000
Retained (loss)/profit for the year	12	(1,836)	72,825

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 2001

	Notes	£	2001 £	£	2000 £
Fixed assets					
Tangible assets	7		52,424		33,633
Current assets					
Stocks		7,175		21,318	
Debtors	8	109,905		159,572	
Cash at bank and in hand		47,868		71,014	
		164,948		251,904	
Creditors: amounts falling due within one year	9	(149,161)		(218,939)	
Net current assets			15,787		32,965
Total assets less current liabilities			68,211		66,598
Creditors: amounts falling due after more than one year	10		(6,648)		(3,199)
			61,563		63,399
Capital and reserves					
Called up share capital	11		100		100
Profit and loss account	12		61,463		63,299
Shareholders' funds - equity interests	13		61,563		63,399

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

The financial statements were approved by the Board on 21st Dec 2001

A A Bleach
Director

Notes to the Financial Statements Year ended 30 June 2001

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

Stock and work in progress are 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.

1.9 Long term contracts

Long term contract work in progress is classifed 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 forseeable 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 2001 13.00% (2000 - 55.00%) of the company's turnover was to markets outside the United Kingdom.

3 Operating profit

	2001	2000
	£	£
Operating profit is stated after charging:		
Depreciation of tangible assets	21,344	16,809
Operating lease rentals	12,781	13,000
Auditors' remuneration	3,150	3,000
Directors' emoluments	105,735	92,851

The number of directors for whom retirement benefits are accruing under money purchase pension schemes amounted to 2 (2000 - 2).

4 Other interest receivable and similar income

	2001	2000
	£	£
Bank interest	949	1,692

5 Interest payable and similar charges

	2001	2000
	£	£
On bank loans and overdrafts	384	41
Hire purchase interest	415	814
	799	855

6 Taxation	2001	2000
	£	£
U.K. current year taxation		
U.K. corporation tax at 20% (2000 : 20%)	7,000	31,500
Prior years		
U.K. corporation tax	(209)	(595)
	6,791	30,905

7 **Tangible fixed assets**

	Plant and machinery etc £
Cost	
At 1 July 2000	160,054
Additions	40,135
Disposals	(53,154)
At 30 June 2001	147,035
Depreciation	
At 1 July 2000	126,421
On disposals	(53,154)
Charge for the year	21,344
At 30 June 2001	94,611
Net book value	
At 30 June 2001	52,424
At 30 June 2000	33,633

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

	Motor vehicles £
Net book values	
At 30 June 2001	16,350
At 30 June 2000	7,406
Depreciation charge for the year	
30 June 2001	3,589
30 June 2000	3,075

8 Debtors	2001 £	2000 £
Trade debtors	90,096	45,178
Other debtors	19,809	114,394
	109,905	159,572

9 Creditors: amounts falling due within one year	2001 £	2000 £
Bank loans and overdrafts	2,727	-
Net obligations under finance lease and hire purchase contracts	4,601	1,750
Trade creditors	26,386	9,385
Taxation and social security	34,398	64,633
Other creditors	81,049	143,171
	149,161	218,939

The bank loans and overdrafts are secured by a fixed and floating charge over all the assets of the company.

10 Creditors: amounts falling due after more than one year	2001 £	2000 £
Net obligations under finance leases and hire purchase agreements	6,648	3,199
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	5,460	3,615
Repayable between one and five years	7,305	1,807
	12,765	5,422
Finance charges and interest allocated to future accounting periods	(1,516)	(473)
	11,249	4,949
Included in liabilities falling due within one year	(4,601)	(1,750)
	6,648	3,199

11 Share capital	2001 £	2000 £
Authorised		
100 Ordinary shares of £ 1 each	100	100
Allotted, called up and fully paid		
100 Ordinary shares of £ 1 each	100	100

12 Statement of movements on profit and loss account

	£
Balance at 1 July 2000	63,299
Retained loss for the year	(1,836)
Balance at 30 June 2001	61,463

13 Reconciliation of movements in shareholders' funds	2001 £	2000 £
Profit for the financial year	32,664	120,825
Dividends	(34,500)	(48,000)
Net (depletion in)/addition to shareholders' funds	(1,836)	72,825
Opening shareholders' funds	63,399	(9,426)
Closing shareholders' funds	61,563	63,399

14 Financial commitments

At 30 June 2001 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings 2001 £	2000 £
Expiry date:		
Between two and five years	9,718	9,718

15 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 £24,342 (2000 : £17,059).

16 Control

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

17 Related party transactions

Included in other creditors at 30 June 2001 are the following amounts representing loans from the directors: A A Bleach £13,630 (2000: £Nil); J P Cuthbert £7,420 (2000: £Nil).

Included in other debtors at 30 June 2000 were £5,500 owed by A A Bleach and £5,500 owed by J Cuthbert which were the maximum amounts oustanding during the year. In addition, at that date £6,600 was included in other debtors in respect of an amount owed by M Robinson, a shareholder of the company.