

Company registration number 02182421

FOSTER FINDLAY ASSOCIATES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
30TH SEPTEMBER 2002



JOSEPH MILLER & CO
Chartered Accountants
Newcastle upon Tyne

27

FOSTER FINDLAY ASSOCIATES LIMITED
ABBREVIATED FINANCIAL STATEMENTS
YEAR ENDED 30TH SEPTEMBER 2002

CONTENTS	PAGES
Independent auditors' report to the company	1
Abbreviated balance sheet	2
Notes to the abbreviated financial statements	3 to 6

FOSTER FINDLAY ASSOCIATES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE COMPANY

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6 together with the financial statements of the company for the year ended 30th September 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the directors and the auditors

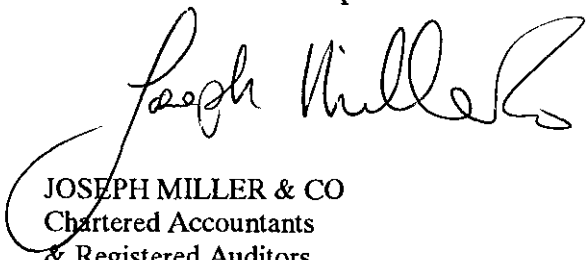
The directors are responsible for preparing the abbreviated accounts in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.



JOSEPH MILLER & CO
Chartered Accountants
& Registered Auditors
Newcastle upon Tyne
19th December 2002

FOSTER FINDLAY ASSOCIATES LIMITED

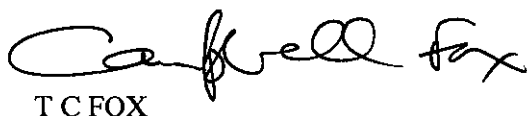
ABBREVIATED BALANCE SHEET

YEAR ENDED 30TH SEPTEMBER 2002

	Note	£	2002 £	£	2001 £
Fixed assets	2				
Intangible assets			760,352		431,830
Tangible assets			175,441		157,347
			<u>935,793</u>		<u>589,177</u>
Current assets					
Stocks		60,413		1,026	
Debtors		30,282		32,068	
Cash at bank and in hand		3,080		305,275	
		<u>93,775</u>		<u>338,369</u>	
Creditors: Amounts falling due within one year, including convertible debts	3	<u>(312,656)</u>		<u>(341,195)</u>	
Net current liabilities			<u>(218,881)</u>		<u>(2,826)</u>
Total assets less current liabilities			<u>716,912</u>		<u>586,351</u>
Creditors: Amounts falling due after more than one year, including convertible debts	4		<u>(229,682)</u>		<u>(257,561)</u>
			487,230		328,790
Accruals and deferred income	5		<u>(2,046)</u>		<u>(2,729)</u>
			<u>485,184</u>		<u>326,061</u>
Capital and reserves					
Called-up equity share capital	6		25,343		17,602
Share premium account			656,213		420,184
Profit and Loss Account			<u>(196,372)</u>		<u>(111,725)</u>
Shareholders' funds			<u>485,184</u>		<u>326,061</u>

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

These financial statements were approved by the directors on the 19th December 2002 and are signed on their behalf by:



T C FOX

The notes on pages 3 to 6 form part of these financial statements.

FOSTER FINDLAY ASSOCIATES LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
30TH SEPTEMBER 2002

1. Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention. For clarity in reporting the format of the profit and loss account has been changed.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Intangible assets

Intangible assets relates to research and development expenditure. Research and development expenditure is written off in the profit and loss account in the year in which it is incurred except development prototype software costs on defined commercial projects which are included within intangible assets. These are amortised over a period of five years commencing with the commercial application of the project.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Intangible assets - 5 years straight line

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Computer Equipment	- 25% reducing balance basis
Fixtures & Fittings	- 15% reducing balance basis
Motor Vehicles	- 20% cost

Stocks

Stocks represent volumes of processed data attributable to individual clients where it is more likely than not that the client will purchase the volume. Stocks are valued at the lower of production cost and net realisable value. Production cost includes attributable production wages and associated overheads.

Work in progress

Work in Progress represents ongoing service projects valued at the lower of production cost and net realisable value. Production cost includes production wages and associated overheads

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account on a straight line basis.

FOSTER FINDLAY ASSOCIATES LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
30TH SEPTEMBER 2002

1. Accounting policies *(continued)*

Finance lease agreements

Where the company enters into a lease which entails taking substantially all the risks and rewards of ownership of an asset, the lease is treated as a finance lease. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated in accordance with the above depreciation policies. Future instalments under such leases, net of finance charges, are included with creditors. Rentals payable are apportioned between the finance element, which is charged to the Profit and Loss Account on a straight line basis, and the capital element which reduces the outstanding obligation for future instalments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Government grants and contributions from other sources

Government grants on capital expenditure are credited to a deferral account and are released to revenue over the expected useful life of the relevant asset by equal annual instalments. Grants of a revenue nature are credited to income in the period to which they relate. Contributions from other sources towards capital expenditure are treated similarly.

Research Income

Funding received in respect of revenue costs is credited to revenue in the period to which it relates. Funding received in respect of capital costs is credited to revenue over the expected useful life of the asset.

FOSTER FINDLAY ASSOCIATES LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
30TH SEPTEMBER 2002

2. Fixed assets

	Intangible Assets £	Tangible Assets £	Total £
Cost			
At 1st October 2001	603,879	226,013	829,892
Additions	392,159	91,523	483,682
At 30th September 2002	<u>996,038</u>	<u>317,536</u>	<u>1,313,574</u>
Depreciation			
At 1st October 2001	172,049	68,666	240,715
Charge for year	63,637	73,429	137,066
At 30th September 2002	<u>235,686</u>	<u>142,095</u>	<u>377,781</u>
Net book value			
At 30th September 2002	<u>760,352</u>	<u>175,441</u>	<u>935,793</u>
At 30th September 2001	<u>431,830</u>	<u>157,347</u>	<u>589,177</u>

3. Creditors: Amounts falling due within one year, including convertible debts

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002 £	2001 £
Hire purchase and finance leases	63,618	35,643
Other loans	6,250	25,000
	<u>69,868</u>	<u>60,643</u>

4. Creditors: Amounts falling due after more than one year, including convertible debts

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002 £	2001 £
Hire purchase and finance leases	49,863	56,341

5. Accruals and deferred income

	2002 £	2001 £
Received and receivable	95,287	95,287
Amortisation	(93,241)	(92,558)
	<u>2,046</u>	<u>2,729</u>

FOSTER FINDLAY ASSOCIATES LIMITED
NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS
30TH SEPTEMBER 2002

6. Share capital

Authorised share capital:

	2002	2001
	£	£
1,000,000 Ordinary shares of £0.01 each	10,000	10,000
22,671 "A" Ordinary shares of £1 each	22,671	15,000
36,000 "B" Ordinary shares of £0.01 each	360	360
	<u>33,031</u>	<u>25,360</u>

Allotted, called up and fully paid:

	2002		2001	
	No.	£	No.	£
Ordinary £0.01 shares	231,238	2,312	224,213	2,242
"A" Ordinary £1 shares	22,671	22,671	15,000	15,000
"B" Ordinary £0.01 shares	36,000	360	36,000	360
	<u>289,909</u>	<u>25,343</u>	<u>275,213</u>	<u>17,602</u>

The Class of "A" Ordinary Shares has the right to a preferential dividend which shall be an amount per share equal to the greater of 5% of the Net Profit of the Company divided by the number of "A" Ordinary Shares in issue or the highest dividend per share paid on any other class then in issue.

Net profit for distribution is calculated by reference to the formula stated in the Company's Articles of Association. No preferential dividend was payable in the period in respect of the "A" Ordinary Shares. The "B" Ordinary Shares carry no dividend rights.

The preferred dividends and interest on "A" Ordinary Shares rank first for repayment on winding up, followed by the payment of the amount subscribed for "A" Ordinary Shares, then the amounts paid up on Ordinary Shares, then on "B" Ordinary Shares and any surplus remaining is distributed between the "A" Ordinary and Ordinary Shares as though they were of the same class.

During the year the Company issued 7,025 Ordinary Shares of £0.01 each and 3,125 "A" Ordinary Shares of £1 each at a premium of £15.99 and £15 respectively. A further 4,546 "A" Ordinary Shares were issued at a premium of £21.

After the year end, between 1st October and 19th December 2002, the Company issued a further 5,726 Ordinary Shares of £0.01 each at a premium of £21.99.