

SEVERNSIDE SOFTWARE LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30 JUNE 1995

REGISTERED NUMBER: 2390821



HOOK HARRIS
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS
66-70 OXFORD STREET
SOUTHAMPTON
HAMPSHIRE
SO14 3DL

SEVERNSIDE SOFTWARE LIMITED

COMPANY INFORMATION

DIRECTOR: R D White

SECRETARY: E W White

BUSINESS ADDRESS: Gardner House
Olympus Business Park
Quedgeley
Gloucestershire
GL2 6NF

REGISTERED OFFICE: Gardner House
Olympus Business Park
Quedgeley
Gloucestershire
GL2 6NF

AUDITORS: Hook Harris
Chartered Accountants and
Registered Auditors
66-70 Oxford Street
Southampton
Hampshire
SO14 3DL

PRINCIPAL BANKERS: Barclays Bank plc
Barclays Business Centre
18 Southgate Street
Gloucestershire
GL1 2DJ

SEVERNSIDE SOFTWARE LIMITED
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FOR THE YEAR ENDED 30 JUNE 1995

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The following pages do not form part of the statutory accounts

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SEVERNSIDE SOFTWARE LIMITED

REPORT OF THE DIRECTORS

The director presents his report and the audited financial statements for the year ended 30 June 1995.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The company is engaged in the business of computer consultancy and the supply of computer services. The director expects the company to continue in its current trading activities for the foreseeable future.

DIVIDENDS AND TRANSFERS TO RESERVES

The director has paid an interim dividend of £7,500, and a final dividend of £7,500.

It is proposed that the retained profit of £5,170 is transferred to reserves.

FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

DIRECTOR AND HIS INTEREST

The director at the balance sheet date and his interest in the company at that date and at the beginning of the year were as follows:

	Class of Share	Number of Shares	
		1995	1994
R D White	Ordinary shares	999	999

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 for that year. 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

SEVERNSIDE SOFTWARE LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)

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.

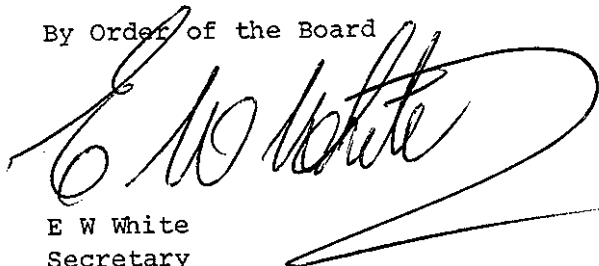
CLOSE COMPANY

The company is a close company as defined by the Income and Corporation Taxes Act 1988.

AUDITORS

The auditors Hook Harris, were re-appointed in accordance with section 385 of the Companies Act 1985.

By Order of the Board

A large, stylized handwritten signature in dark ink, appearing to read 'E W White', is written over the typed name and title.

E W White
Secretary

Date: 26/1/96

AUDITORS' REPORT TO THE SHAREHOLDERS OF

SEVERNSIDE SOFTWARE LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of the directors and auditors

As described in the Director's Report the company director is 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 affairs of the company as at 30 June 1995 and of the profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Hook Harris
Chartered Accountants and
Registered Auditors
66-70 Oxford Street
Southampton
Hampshire
SO14 3DL

Date: 30 January '96

SEVERNSIDE SOFTWARE LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 JUNE 1995

	Notes	1995 £	1994 £
TURNOVER		244,675	336,769
Cost of sales		(159,885)	(245,993)
GROSS PROFIT		84,790	90,776
Administrative expenses		(57,285)	(48,490)
Other operating income		-	311
OPERATING PROFIT	2	27,505	42,597
Interest receivable	3	774	612
Interest payable	4	(1,389)	(903)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		26,890	42,306
Tax on profit on ordinary activities	7	(7,470)	(10,908)
PROFIT FOR THE FINANCIAL YEAR		19,420	31,398
Dividends	8	(15,000)	(15,750)
RETAINED PROFIT FOR THE YEAR	16	£4,420	£15,648

None of the company's activities were acquired or discontinued during the above two financial years.

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes of pages 6 to 12 form part of these financial statements.

SEVERNSIDE SOFTWARE LIMITED
BALANCE SHEET AS AT 30 JUNE 1995

	Notes	1995	1994
		£	£
FIXED ASSETS			
Tangible assets	9	37,808	22,611
CURRENT ASSETS			
Stocks	10	14,118	8,141
Debtors	11	25,123	31,929
Cash at bank and in hand		25,989	34,611
		<u>65,230</u>	<u>74,681</u>
CREDITORS: amounts falling due within one year	12	<u>(66,316)</u>	<u>(64,766)</u>
NET CURRENT LIABILITIES		<u>(1,086)</u>	<u>9,915</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		36,722	32,526
CREDITORS: amounts falling due after more than one year	13	<u>(852)</u>	<u>(1,076)</u>
		<u>35,870</u>	<u>31,450</u>
CAPITAL AND RESERVES			
Called up share capital	15	1,000	1,000
Profit and loss account	16	34,870	30,450
		<u>£35,870</u>	<u>£31,450</u>

The financial statements were approved by the board on 26/6/96..... and signed on its behalf by

Director R. D. White
R D White

The notes on pages 6 to 12 form part of these financial statements.

SEVERNSIDE SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared under the historical cost convention.

b) Cash flow statement

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 from presenting a cash flow statement as it qualifies as a small company.

c) Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

d) Depreciation

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost of the tangible assets over their estimated useful lives:-

Fixtures and fittings	-	25% Straight line
Motor vehicles	-	25% Straight line

e) Stock

Stocks are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Work in progress	-	Cost of raw materials and labour
and finished goods		together with attributable overheads

Net realisable value is based on estimated selling price less further costs on completion and disposal.

f) Deferred taxation

Deferred taxation is provided where there is a reasonable probability of an amount becoming payable in the foreseeable future.

g) Leasing and hire purchase

Assets acquired under finance leases or hire purchase contracts are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Finance charges and interest are taken to the profit and loss account in constant proportion to the remaining balance of capital repayments or net obligations outstanding.

h) Pensions

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. These contributions are invested separately from the company's assets.

SEVERNSIDE SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

2. OPERATING PROFIT

	1995 £	1994 £
The operating profit is stated after charging:-		
Depreciation	14,144	10,815
Auditors remuneration	1,800	800
And crediting:-		
Hire of equipment	650	-

3. INCOME FROM INVESTMENTS

	1995 £	1994 £
Other interest receivable	774	612
	<u>774</u>	<u>612</u>

4. INTEREST PAYABLE

	1995 £	1994 £
On bank loan and overdraft and on loans repayable in full within five years	12	-
Hire purchase interest	1,377	903
	<u>1,389</u>	<u>903</u>

5. DIRECTOR AND EMPLOYEES

	1995 £	1994 £
Staff costs:-		
Wages and salaries	31,723	24,840
Social security costs	2,793	2,735
Other pension costs	1,600	1,600
	<u>36,116</u>	<u>29,175</u>

The average weekly number of employees during the year was made up as follows:

	1995 Number	1994 Number
Employees	2	1
Director	1	1
	<u>3</u>	<u>2</u>

Directors' emoluments:-

	£	£
Remuneration for management services (including pension contributions)	24,355	23,126

SEVERNSIDE SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

6. 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. Contributions payable by the company amounted to £1,600 (1994: £1,600). All contributions were paid in the year.

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

The taxation charge based on the profit before tax comprises:-

UK Corporation tax at 25% (1994: 25%)
Transfer from deferred taxation

1995	1994
£	£
7,470	11,619
-	(711)
<u>7,470</u>	<u>10,908</u>

8. DIVIDENDS

Ordinary:-

Interim dividend paid 6 April 1995
Final dividend paid 30 June 1995

1995	1994
£	£
7,500	7,750
7,500	8,000
<u>15,000</u>	<u>15,750</u>

SEVERNSIDE SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

9. TANGIBLE ASSETS

	Fixtures & Fittings £	Motor vehicles £	Total £
COST			
At 1 July 1994	25,226	18,008	43,234
Additions	15,672	26,370	42,042
Disposals	(10,188)	(18,008)	(28,196)
At 30 June 1995	<u>30,710</u>	<u>26,370</u>	<u>57,080</u>
DEPRECIATION			
At 1 July 1994	11,621	9,002	20,623
Charge for the year	7,552	6,593	14,145
On disposals	(6,494)	(9,002)	(15,496)
At 30 June 1995	<u>12,679</u>	<u>6,593</u>	<u>19,272</u>
NET BOOK VALUE			
At 30 June 1995	<u>£18,031</u>	<u>£19,777</u>	<u>£37,808</u>
At 30 June 1994	<u>£13,605</u>	<u>£9,006</u>	<u>£22,611</u>

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

	1995 £	1994 £
Net book values:		
Motor vehicles	<u>19,777</u>	<u>9,006</u>
Depreciation charge for the year:		
Motor vehicles	<u>6,593</u>	<u>4,502</u>

Net obligations under finance leases and hire purchase contracts are secured on the assets acquired.

SEVERNSIDE SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

10. STOCKS

	1995 £	1994 £
Work in progress	4,538	5,523
Finished goods and goods for resale	9,580	2,618
	<u>14,118</u>	<u>8,141</u>

11. DEBTORS

	1995 £	1994 £
Trade debtors	19,732	29,775
Prepayments and accrued income	5,391	2,154
	<u>25,123</u>	<u>31,929</u>

12. CREDITORS: amounts falling due within one year

	1995 £	1994 £
Bank overdrafts	-	2,616
Trade creditors	18,881	21,837
Mainstream corporation tax	3,720	9,369
Other taxes including tax and social security costs	8,510	5,378
Director's current account	14,148	10,429
Other creditors	601	4,110
Accruals and deferred income	15,347	6,725
Obligations due under finance lease and hire purchase contracts	5,109	4,302
	<u>£66,316</u>	<u>£64,766</u>

SEVERNSIDE SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

13. CREDITORS: amounts falling due after more than one year

	1995 £	1994 £
Net obligations under finance leases and hire purchase contracts	852	1,076
	<u>852</u>	<u>1,076</u>
Net obligations under finance leases and hire purchase contracts		
Repayable within one year	5,646	5,205
Repayable between one and five years	941	1,302
	<u>6,587</u>	<u>6,507</u>
Finance charges and interest allocated to future accounting periods	(626)	(1,129)
	<u>5,961</u>	<u>5,378</u>
Included in current liabilities	(5,109)	(4,302)
	<u>852</u>	<u>1,076</u>

14. PROVISIONS FOR LIABILITIES AND CHARGES

Deferred tax is calculated at 25% (1994 - 25%) analysed over the following timing differences:-

	Not provided		Provided	
	1995	1994	1995	1994
	£	£	£	£
On the excess of capital allowance over depreciation	(1,781)	(512)	-	-
	<u>(1,781)</u>	<u>(512)</u>	<u>-</u>	<u>-</u>

15. SHARE CAPITAL

	1995 £	1994 £
Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	<u>1,000</u>	<u>1,000</u>

SEVERNSIDE SOFTWARE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 1995

16. PROFIT AND LOSS ACCOUNT

	1995 £	1994 £
Retained profits at 1 July 1994	30,450	14,802
Retained profit for the year	4,420	15,648
Retained profits at 30 June 1995	<u>34,870</u>	<u>30,450</u>

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1995 £	1994 £
PROFIT FOR THE FINANCIAL YEAR	19,420	31,398
Dividends	(15,000)	(15,750)
	4,420	15,648
Opening shareholders' funds	31,450	15,802
CLOSING SHAREHOLDERS' FUNDS	<u>£35,870</u>	<u>£31,450</u>