

SEVERNSIDE SOFTWARE LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE 15 MONTHS TO 30 SEPTEMBER 2000



Company No. 2390821 (England and Wales)

SEVERNSIDE SOFTWARE LIMITED

Director's Report for the 15 Months to 30 September 2000

The director presents his report and the financial statements for the 15 months to 30 September 2000.

Statement of directors' responsibilities

Company law requires the director 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 director is 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 director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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 activity

The company is engaged in the business of computer consultancy and the supply of computer services.

Director

The director at 30 September 2000 and his interests in the share capital of the company were as follows:

	At 30 September 2000	At 30 June 1999
	Ordinary Shares	Ordinary Shares
Mr R D White	1,000	1,000

Small company rules

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

This report was approved by the board on 25 July 2001, and signed on its behalf.



R D White (Director)

SEVERNSIDE SOFTWARE LIMITED

Profit and Loss Account for the 15 Months to 30 September 2000

	Notes	15 Months to 30 September 2000	Year to 30 June 1999
		£	£
Turnover	1,2	475,791	416,132
Cost of Sales		<u>(373,091)</u>	<u>(329,284)</u>
Gross Profit		102,700	86,848
Administrative expenses		<u>(117,226)</u>	<u>(88,329)</u>
Operating (Loss)	3	(14,526)	(1,481)
Interest receivable		19	316
Interest payable		<u>(3,324)</u>	<u>(2,707)</u>
(Loss) on ordinary activities before taxation		(17,831)	(3,872)
Taxation on profit on ordinary activities	4	<u>287</u>	<u>(287)</u>
(Loss) on ordinary activities after taxation		(17,544)	(4,159)
Dividends	5	—	<u>(9,000)</u>
Retained (loss) for the period/year		(17,544)	(13,159)
Retained profit brought forward		<u>18,151</u>	<u>31,310</u>
Retained profit carried forward		<u>£607</u>	<u>£18,151</u>

The notes on pages 4 to 7 form part of these financial statements.

SEVERNSIDE SOFTWARE LIMITED

Balance Sheet as at 30 September 2000

	Notes	2000	2000	1999	1999
		£	£	£	£
Fixed assets					
Tangible assets	6		20,463		60,587
Current assets					
Stocks		28,602		30,674	
Debtors	7	60,026		42,705	
Cash at bank and in hand		<u>33</u>		<u>116</u>	
		88,661		73,495	
Creditors: amounts falling due within one year	8	<u>(102,759)</u>		<u>(106,987)</u>	
Net current (liabilities)			<u>(14,098)</u>		<u>(33,492)</u>
Total assets less current liabilities			6,365		27,095
Creditors: amounts falling due after more than one year	9		<u>(4,758)</u>		<u>(7,944)</u>
			1,607		19,151
Provisions for liabilities and charges					
Deferred taxation	10		-		-
Net Assets			<u>1,607</u>		<u>19,151</u>
Capital and reserves					
Called up share capital	11		1,000		1,000
Profit and loss account			<u>607</u>		<u>18,151</u>
Shareholders' funds			<u>1,607</u>		<u>19,151</u>

The director considers that the company is entitled to exemption from the requirement to have an audit under the provisions of s.249A(1) of the Companies Act 1985. Members have not required the company, under s.249B(2) of the Companies Act 1985, to obtain an audit for the 15 months to 30 September 2000. The director acknowledges his responsibilities for ensuring that the company keeps accounting records which comply with s.221 of the Companies Act 1985, and for preparing accounts which give a true and fair view of the state of affairs of the company as at 30 September 2000 and of its loss for the period then ended in accordance with the requirements of s.226, and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company. The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, were approved by the board on 25th July 2001 and signed on its behalf.

R D White

R D White (Director)

The notes on pages 4 to 7 form part of these financial statements.

SEVERNSIDE SOFTWARE LIMITED

Notes to the financial statements for the 15 months to 30 September 2000

1 Accounting policies

1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Small Entities (effective March 2000).

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

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 of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:-

Motor Vehicles	20% on cost
Equipment, Fixtures and Tools	25% on cost

1.4 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. 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 applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.5 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs together with attributable overheads.

1.6 Deferred taxation

Provision is made for taxation deferred as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, 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.

2 Turnover

In the 15 months to 30 September 2000 all of the company's turnover was to markets in the United Kingdom (1999 100%).

SEVERNSIDE SOFTWARE LIMITED

Notes to the financial statements for the 15 months to 30 September 2000

3 Operating loss

The operating loss is stated after charging:

	2000 £	1999 £
Depreciation of tangible fixed assets		
- owned by the company	8,444	11,898
- held under finance leases	8,969	11,242
Directors emoluments	51,544	37,383
Pension costs	2,200	1,600

4 Taxation

	2000 £	1999 £
UK Corporation tax	<u>(287)</u>	<u>287</u>

5 Dividends

	2000 £	1999 £
Final dividend paid	<u>-</u>	<u>9,000</u>

6 Tangible fixed assets

	Fixtures and fittings £	Motor Vehicles £	Total £
Cost			
At 1 July 1999	65,406	58,767	124,173
Additions	3,253	-	3,253
Disposals	<u>-</u>	<u>(40,733)</u>	<u>(40,733)</u>
At 30 September 2000	<u>68,659</u>	<u>18,034</u>	<u>86,693</u>
Depreciation			
At 1 July 1999	52,376	11,210	63,586
Charge for 15 months	8,444	8,969	17,413
On disposals	<u>-</u>	<u>(14,769)</u>	<u>(14,769)</u>
At 30 September 2000	<u>60,820</u>	<u>5,410</u>	<u>66,230</u>
Net Book Values			
At 30 September 2000	<u>7,839</u>	<u>12,624</u>	<u>20,463</u>
At 30 June 1999	<u>13,030</u>	<u>47,557</u>	<u>60,587</u>

Included above are assets held under hire purchase contracts amounting to £12,624 (1999 £45,807).

SEVERNSIDE SOFTWARE LIMITED

Notes to the financial statements for the 15 months to 30 September 2000

7 Debtors

	2000	1999
	£	£
Due within one year		
Trade debtors	54,327	31,271
Other debtors	<u>5,699</u>	<u>11,434</u>
	<u>60,026</u>	<u>42,705</u>

8 Creditors: amounts falling due within one year

	2000	1999
	£	£
Bank loans and overdrafts	26,747	11,598
Net obligations under finance lease and hire purchase contracts	4,333	11,083
Trade creditors	42,442	51,646
Corporation tax	-	66
Other creditors	<u>29,237</u>	<u>32,594</u>
	<u>102,759</u>	<u>106,987</u>

Included within other creditors is an amount of £7,968 (1999 £8,016) relating to other taxes and social security. Of the creditors falling due within and after more than one year, the bank loans and overdrafts totalling £28,977 (1999 £11,598) and the net obligations under finance lease and hire purchase contracts of £6,861 (1999 £19,027) are secured.

9 Creditors: amounts falling due after more than one year

	2000	1999
	£	£
Bank loans	2,230	-
Net obligations under finance lease and hire purchase contracts	<u>2,528</u>	<u>7,944</u>
	<u>4,758</u>	<u>7,944</u>

10 Deferred taxation

The potential liability for deferred taxation not provided was as follows:-

Accelerated capital allowances	£
Balance at 1 July 1999	(2,559)
Increase in the period	<u>619</u>
Balance at 30 September 2000	<u>(1,940)</u>

SEVERNSIDE SOFTWARE LIMITED

Notes to the financial statements for the 15 months to 30 September 2000

11 Share capital

	2000 £	1999 £
Authorised		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

12 Other commitments

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

	2000 £	1999 £
Expiry date:-		
Within one year	14,651	11,344
Between one and five years	16,855	35,169

13 Related parties

The controlling party is Mr R D White by virtue of his 100% ownership of the issued ordinary share capital in the company.

Mr R D White has given a personal guarantee of £35,000 to cover the bank overdraft facility.