

SEVERNSIDE SOFTWARE LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR TO 30 SEPTEMBER 2001

Company No. 2390821 (England and Wales)



SEVERNSIDE SOFTWARE LIMITED

Director's Report for the Year to 30 September 2001

The director presents his report and the financial statements for the year to 30 September 2001.

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 2001 and his interests in the share capital of the company were as follows:

	At 30 September 2001 Ordinary Shares	At 30 September 2000 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 22nd Feb 2002, and signed on its behalf.



R D White (Director)

SEVERNSIDE SOFTWARE LIMITED

Profit and Loss Account for the Year to 30 September 2001

	Notes	Year to 30 September 2001 £	15 Months to 30 September 2000 £
Turnover	1,2	355,544	475,791
Cost of Sales		<u>(239,568)</u>	<u>(373,091)</u>
Gross Profit		115,976	102,700
Administrative expenses		<u>(87,137)</u>	<u>(117,226)</u>
Operating Profit/(Loss)	3	28,839	(14,526)
Interest receivable		1	19
Interest payable		<u>(2,185)</u>	<u>(3,324)</u>
Profit/(Loss) on ordinary activities before taxation		26,655	(17,831)
Taxation on profit on ordinary activities	4	<u>(3,478)</u>	<u>287</u>
Profit/(Loss) on ordinary activities after taxation		23,177	(17,544)
Dividends		<u>(11,000)</u>	<u>-</u>
Retained profit/(loss) for the year/period		12,177	(17,544)
Retained profit brought forward		<u>607</u>	<u>18,151</u>
Retained profit carried forward		<u>£12,784</u>	<u>£607</u>

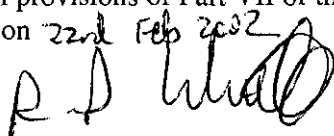
The notes on pages 4 to 7 form part of these financial statements.

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Balance Sheet as at 30 September 2001

	Notes	2001	2001	2000	2000
		£	£	£	£
Fixed assets					
Tangible assets	5		13,742		20,463
Current assets					
Stocks		24,819		28,602	
Debtors	6	45,482		60,026	
Cash at bank and in hand		<u>35</u>		<u>33</u>	
		70,336		88,661	
Creditors: amounts falling due within one year	7	<u>(70,294)</u>		<u>(102,759)</u>	
Net current assets/(liabilities)			<u>42</u>		<u>(14,098)</u>
Total assets less current liabilities			13,784		6,365
Creditors: amounts falling due after more than one year	8		<u>-</u>		<u>(4,758)</u>
			13,784		1,607
Provisions for liabilities and charges					
Deferred taxation	9		<u>-</u>		<u>-</u>
Net Assets			<u>£13,784</u>		<u>£1,607</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss account			<u>12,784</u>		<u>607</u>
Shareholders' funds			<u>£13,784</u>		<u>£1,607</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 year to 30 September 2001. 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 2001 and of its profit for the year 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 22nd Feb 2002, and signed on its behalf.



R D White (Director)

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

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Notes to the financial statements for the year to 30 September 2001

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 year to 30 September 2001 all of the company's turnover was to markets in the United Kingdom (2000 100%).

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Notes to the financial statements for the year to 30 September 2001

3 Operating profit

The operating profit is stated after charging:

	2001 £	2000 £
Depreciation of tangible fixed assets		
- owned by the company	5,137	8,444
- held under finance leases	3,607	8,969
Directors emoluments	44,055	51,544
Pension costs	4,020	2,200

4 Taxation

	2001 £	2000 £
UK Corporation tax	<u>3,478</u>	<u>(287)</u>

5 Tangible fixed assets

	Fixtures and fittings £	Motor Vehicles £	Total £
Cost			
At 1 October 2000	68,659	18,034	86,693
Additions	2,022	-	2,022
Disposals	<u>(326)</u>	<u>-</u>	<u>(326)</u>
At 30 September 2001	<u>70,355</u>	<u>18,034</u>	<u>88,389</u>
Depreciation			
At 1 October 2000	60,820	5,410	66,230
Charge for year	5,136	3,607	8,743
On disposals	<u>(326)</u>	<u>-</u>	<u>(326)</u>
At 30 September 2001	<u>65,630</u>	<u>9,017</u>	<u>74,647</u>
Net Book Values			
At 30 September 2001	<u>4,725</u>	<u>9,017</u>	<u>13,742</u>
At 30 September 2000	<u>7,839</u>	<u>12,624</u>	<u>20,463</u>

Included above are assets held under hire purchase contracts amounting to £9,017 (2000 £12,624).

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Notes to the financial statements for the year to 30 September 2001

6 Debtors

	2001 £	2000 £
Due within one year		
Trade debtors	37,022	54,327
Other debtors	<u>8,460</u>	<u>5,699</u>
	<u>45,482</u>	<u>60,026</u>

7 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	8,466	26,747
Net obligations under finance lease and hire purchase contracts	2,528	4,333
Trade creditors	30,500	42,442
Corporation tax	3,478	-
Other creditors	<u>25,322</u>	<u>29,237</u>
	<u>70,294</u>	<u>102,759</u>

Included within other creditors is an amount of £9,312 (2000 £7,968) relating to other taxes and social security. Of the creditors falling due within one year, the bank loans and overdrafts totalling £8,466 (2000 £28,977) and the net obligations under finance lease and hire purchase contracts of £2,528 (2000 £6,861) are secured.

8 Creditors: amounts falling due after more than one year

	2001 £	2000 £
Bank loans	-	2,230
Net obligations under finance lease and hire purchase contracts	<u>-</u>	<u>2,528</u>
	-	<u>4,758</u>

9 Deferred taxation

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

	2001 £
Accelerated capital allowances	
Balance at 1 October 2000	(1,940)
Decrease in the year	<u>28</u>
Balance at 30 September 2001	<u>(1,912)</u>

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Notes to the financial statements for the year to 30 September 2001

10 Share capital

	2001 £	2000 £
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>

11 Other commitments

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

	2001 £	2000 £
Expiry date:-		
Within one year	25,831	26,414
Between one and five years	21,902	47,732

12 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.