Sequel
BUSINESS SOLUTIONS

Email: info@sequel.com Website: www.sequel.com

2 Seething Lane
London EC3N 4AX

Tel: 020 7265 1900
Fax: 020 7265 1901

SEQUEL BUSINESS SOLUTIONS

Financial Statements for the Year Ending
31st March 2000

2745421

ALQJOXMB
A29 0383
COMPANIES HOUSE 26/01/01

Sequel Business Solutions Limited

Registration No 2745421 (England)
Directors: D.K. Smith, T.D. O'Connor, M.G. Ralph, S.J. McNicholas
Registered Office: 24 Bevis Marks, London EC3A 7NR

Sequel Business Solutions Ltd
Directors' Report
For the year ended 31 March 2000

The directors present their report and financial statements for the year ended 31 March 2000.

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;
- make judgements and estimates that are reasonable and prudent; and
- 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.

Directors

The following directors have held office since 1 April 1999 and to the date of this report:

D K Smith
M G Ralph
T D O'Connor

The following director was appointed to office on 3 April 2000:

S J McNicholas

Directors' interests

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

	Ordinary shares of £1 each	
	31 March 2000	**1 April 1999**
D K Smith	51	51
M G Ralph	12	12
T D O'Connor	49	49

Principal activities

The principal activity of the company continued to be that of insurance software consultancy.

Research and Development

During the course of the year we undertook a research and development project to develop the Eclipse product for sale. The value of work undertaken on this project was £44,500.

Sequel Business Solutions Ltd
Directors' Report
For the year ended 31 March 2000

Year 2000

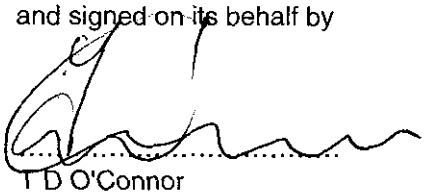
No serious problems have been encountered as a result of reaching year 2000. We continue to monitor the situation for any issues that may arise.

Auditors

Mazars Neville Russell were appointed auditors to the company during the year and a resolution to re-appoint them as auditors will be proposed at the forthcoming 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.

Approved by the board on 23/01/01
and signed on its behalf by



T D O'Connor
Director

Sequel Business Solutions Ltd
Auditors' Report
For the year ended 31 March 2000

We have audited the financial statements on pages 4 to 11 which have been prepared following the accounting policies set out on page 6

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are 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 the company's affairs as at 31 March 2000 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars Neville Russell

Mazars Neville Russell
CHARTERED ACCOUNTANTS
and Registered Auditors
London

25 January 2001

Sequel Business Solutions Ltd
Profit and Loss Account
For the year ended 31 March 2000

	Notes	2000 £	1999 £
Turnover		**1,638,257**	**1,994,257**
Administrative expenses		(1,614,765)	(1,707,443)
Operating profit	**2**	**23,492**	**286,814**
Other interest receivable and similar income	**3**	10,517	25,063
Profit on ordinary activities before taxation		**34,009**	**311,877**
Tax on profit on ordinary activities	**5**	(21,252)	(84,600)
Profit on ordinary activities after taxation		**12,757**	**227,277**
Dividends		-	(149,999)
Retained profit for the year	**12**	**12,757**	**77,278**

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

Sequel Business Solutions Ltd
Balance Sheet
As at 31 March 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Fixed Assets					
Tangible assets	6		117,438		102,387
Investments	7		99		99
			117,537		102,486
Current Assets					
Debtors	8	290,621		315,313	
Cash at bank and in hand		377,328		300,888	
		667,949		616,201	
Creditors: amounts falling due within one year	9	(345,687)		(291,645)	
Net current assets			322,261		324,556
Total assets less current liabilities			439,799		427,042
Capital and reserves					
Called up share capital	11		130		130
Profit and loss account	12		439,669		426,912
Shareholders' funds - equity interests	13		439,799		427,042

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies. 23/1/01

Approved by the Board on .....
and signed on its behalf by

DK Smith
Director

1 Accounting Policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

1.2 Turnover

Turnover represents the value of work done for clients after adjusting for all foreseeable losses, and excluding value added tax.
Turnover from the sale of software products to customers is recognised on final customer acceptance.

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:

Office equipment	33% reducing balance
Fixtures, fittings & equipment	33% reducing balance
Computer equipment	33% reducing balance

1.4 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.5 Investments

Fixed asset investments are stated at cost less provision for diminution in 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 will crystallise in the foreseeable future.

1.8 Research and Development

Research and development expenditure is valued at direct staff costs plus directly attributable expenses. All research and development costs are written off in the period in which they are incurred.

2 Operating Profit

	2000	1999
Operating profit is stated after charging:	£	£
Depreciation of tangible assets	39,221	43,399
Operating lease rentals	63,256	50,665
Auditors' remuneration	3,750	2,000

3 Other interest receivable and similar income

	2000	1999
	£	£
Bank interest	10,517	25,063

4 Directors' emoluments

	2000	1999
	£	£
Directors' emoluments	238,981	250,479

Two directors accrued benefits under a money purchase pension scheme.

5 Taxation

	2000	1999
UK current year taxation	£	£
UK corporation tax at 20% (1999 - 21%)	14,563	84,600
Underprovision in respect of prior years	6,689	-
	21,252	84,600

6 Tangible Fixed Assets

	Computer equipment £	Fixtures & fittings £	Office equipment £	Total £
Cost				
At 1 April 1999	163,125	19,351	23,918	206,394
Additions	56,796	-	4,577	61,373
Disposals	(23,975)	(3,950)	(8,434)	(36,359)
At 31 March 2000	195,946	15,401	20,061	231,408
Depreciation				
At 1 April 1999	82,454	9,666	11,887	104,007
Disposals	(19,803)	(3,711)	(5,744)	(29,258)
Charge for the year	32,189	2,764	4,268	39,221
At 31 March 2000	94,840	8,719	10,411	113,970
Net Book Value				
At 31 March 2000	101,106	6,682	9,650	117,438
At 31 March 1999	80,671	9,685	12,031	102,387

7 Fixed asset investments

	Shares in group undertakings and participating interests £
Cost	
At 31 March 2000	99
At 31 March 1999	99

In the opinion of the directors, the aggregate value of the company's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Unlisted investments represent a 99% interest in the ordinary shares of Sequel Training Solutions Limited held by the company.

The financial statements contain information about Sequel Business Solutions Limited as an individual company and do not contain consolidated financial information as the parent of the group. The company is exempt under section 248 of the Companies Act 1985 from the requirement to prepare consolidated financial statements as the group it heads qualifies as a small group.

8 Debtors

	2000	1999
	£	£
Trade debtors	230,326	203,462
Amounts owed by group undertakings and undertakings in which the company has a participating interest	14,377	91,201
Other debtors	45,918	20,650
	290,621	315,313

All debtors are due within one year.

9 Creditors: amounts falling due within one year

	2000	1999
	£	£
Trade creditors	61,952	8,667
Taxation and social security	159,496	269,850
Other creditors	124,239	13,128
	345,687	291,645

10 Provisions for liabilities and charges

Deferred tax is provided at 20% (1999 - 21%) analysed over the following timing differences:

	Not Provided	
	2000	1999
	£	£
Accelerated capital allowances	(1,384)	(6,115)

11 Share Capital

	2000	1999
	£	£
Authorised		
10,000 Ordinary shares of £1 each	10,000	10,000
Allotted, called up and fully paid		
130 Ordinary shares of £1 each	130	130

12 Statement of movements on profit and loss account

	Profit and loss account
	£
Balance at 1 April 1999	426,912
Retained profit for the year	12,757
Balance at 31 March 2000	439,669

13 Reconciliation of movements in shareholders' funds

	2000	1999
	£	£
Profit for the financial year	12,757	227,277
Dividends	-	(149,999)
Net addition to shareholders' funds	12,757	77,278
Opening shareholders' funds	427,042	349,764
Closing shareholders' funds	439,799	427,042

14 Financial commitments

At 31 March 2000 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2000	1999
	£	£
Expiry date:		
Within one year	-	37,521
Two to five years	87,175	-