

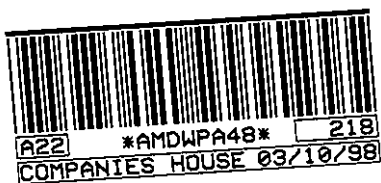
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WAVERLEY COMPUTING LIMITED

FINANCIAL STATEMENTS

30TH JUNE 1998

Registered number: 3079577



WAVERLEY COMPUTING LIMITED

DIRECTORS' REPORT

30th June 1998

The directors present their report and the financial statements for the year ended 30th June 1998.

Principal activity

The principal activity of the company is that of computer contract analysis, design and programming.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows


	30th June 1998	1st July 1997
	Ordinary shares	Ordinary shares
L.G. Inwood	1	1
K. Kucharczyk	1	1

Small company exemptions

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

On behalf of the board

28th September 1998



 L.G. Inwood
 Secretary

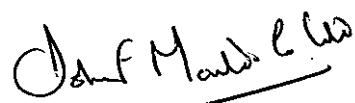
WAVERLEY COMPUTING LIMITED

ACCOUNTANTS' REPORT

Accountants' report on the unaudited financial statements to the directors of
Waverley Computing Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30th June 1998, set out on pages 3 to 9, and you consider that the company is exempt both from an audit and a report under section 249A(2) of the Companies Act 1985. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

28th September 1998



John F Mould & Co. Ltd.
Chartered Accountants
35-37 Newarke Street
Leicester
LE1 5SP

WAVERLEY COMPUTING LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 30th June 1998

	Note	<u>1998</u> £	<u>1997</u> £
Turnover		157,906	137,552
Cost of sales		(9,626)	(7,261)
Gross profit		<u>148,280</u>	<u>130,291</u>
Net operating expenses			
Distribution costs		(6,625)	(5,824)
Administrative expenses		(3,778)	(5,422)
Other operating income		<u>4,648</u>	<u>1,573</u>
Profit on ordinary activities before taxation		142,525	120,618
Taxation	4	<u>(30,025)</u>	<u>(28,308)</u>
Profit on ordinary activities after taxation		112,500	92,310
Dividends	5	<u>(43,200)</u>	<u>(50,800)</u>
Retained profit for the year	13	<u><u>69,300</u></u>	<u><u>41,510</u></u>

Movements in reserves are shown in note 13.

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

There are no recognised gains or losses in 1998 or 1997 other than the profit for the year.

WAVERLEY COMPUTING LIMITED

BALANCE SHEET

at 30th June 1998

	Note	£	1998	£	£	1997	£
Fixed assets							
Tangible assets	6		18,171			24,796	
Investments	7		50,000			-	
			<u>68,171</u>			<u>24,796</u>	
Current assets							
Stock and work in progress	8	11,620			8,000		
Debtors	9	807			527		
Cash at bank and in hand		61,172			34,616		
		<u>73,599</u>			<u>43,143</u>		
Creditors: amounts falling due within one year	10	(20,658)			(16,127)		
Net current assets				52,941			27,016
Total assets less current liabilities				<u>121,112</u>			<u>51,812</u>
Capital and reserves							
Called up share capital	12		2			2	
Profit and loss account	13		121,110			51,810	
Total shareholders' funds	11		<u>121,112</u>			<u>51,812</u>	

continued

WAVERLEY COMPUTING LIMITED

BALANCE SHEET
(continued)


at 30th June 1998

The directors consider that for the year ended 30th June 1998 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements on pages 3 to 9 were approved by the board of directors on


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L.G. Inwood
Director

28th September 1998

NOTES ON FINANCIAL STATEMENTS

30th June 1998

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Computer equipment	-	3 year straight line basis
Motor vehicles	-	25% reducing balance basis
Furniture & equipment	-	25% reducing balance basis

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Pension scheme

The company operates a defined contribution pension scheme for its directors. Contributions to the scheme are charged to the profit and loss account as they become payable.

NOTES ON FINANCIAL STATEMENTS

30th June 1998

2 Operating profit

	<u>1998</u> £	<u>1997</u> £
Operating profit is stated after crediting		
Interest receivable	4,648	1,573
and after charging		
Accountancy	803	575
Depreciation of tangible fixed assets (note 6) owned assets	6,625	6,246

3 Directors

	<u>1998</u> £	<u>1997</u> £
Directors' emoluments	1,000	3,000

Two company directors are accruing retirement benefits under money purchase schemes.

4 Taxation

	<u>1998</u> £	<u>1997</u> £
Corporation tax on profit on ordinary activities at 21% (1997 24/21%)	30,025	27,906
Underprovision in prior year	-	402
	30,025	28,308

5 Dividends

	<u>1998</u> £	<u>1997</u> £
Dividends paid	43,200	50,800
	43,200	50,800

WAVERLEY COMPUTING LIMITED

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NOTES ON FINANCIAL STATEMENTS

30th June 1998

6 Tangible fixed assets

Cost	<u>Motor Vehicles</u> £	<u>Computer Equipment</u> £	<u>Furniture & Equipment</u> £	<u>Total</u> £
1st July 1997	28,275	2,101	1,297	31,673
Additions	-	-	-	-
30th June 1998	28,275	2,101	1,297	31,673
Depreciation				
1st July 1997	5,302	1,007	568	6,877
Charge for year	5,743	700	182	6,625
30th June 1998	11,045	1,707	750	13,502
Net book value				
30th June 1998	17,230	394	547	18,171
30th June 1997	22,973	1,094	729	24,796

7 Fixed asset investments

Cost	<u>Fixed asset investments</u> £
Additions - Sun Life International	50,000
30th June 1998	50,000
Net book value	
30th June 1998	50,000
30th June 1997	-

At 30th June 1998 the Sun Life International investment had a quoted value of £50,276.67.

8 Stock and work in progress

	<u>1998</u> £	<u>1997</u> £
Work in progress	11,620	8,000

WAVERLEY COMPUTING LIMITED
NOTES ON FINANCIAL STATEMENTS

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30th June 1998

9 Debtors

	<u>1998</u> £	<u>1997</u> £
Amounts falling due within one year		
Prepayments	398	527
Other debtors	409	—
	<u>807</u>	<u>527</u>

10 Creditors: amounts falling due within one year

	<u>1998</u> £	<u>1997</u> £
Corporation tax	19,225	15,206
Other creditors	1,433	921
	<u>20,658</u>	<u>16,127</u>

11 Reconciliation of movements in shareholders' funds

	<u>1998</u> £	<u>1997</u> £
Profit for the financial year	112,500	92,310
Dividends	(43,200)	(50,800)
Net addition to shareholders' funds	69,300	41,510
Opening shareholders' funds	51,812	10,302
Closing shareholders' funds	<u>121,112</u>	<u>51,812</u>

NOTES ON FINANCIAL STATEMENTS

30th June 1998

12 Called up share capital

	<u>1998</u>		<u>1997</u>	
	Number of shares	£	Number of shares	£
Ordinary shares of £1 each				
Authorised	1,000	1,000	1,000	1,000
Allotted called up and fully paid	2	2	2	2

13 Profit and loss account

	<u>1998</u> £
1st July 1997	
Retained profit for the year	51,810
	69,300
30th June 1998	121,110

14 Control relationships

Disclosure of control

The following list shows the names of the directors who have control of the company and their relevant shareholding:

	<u>Shareholding</u>
L.G. Inwood	1
K. Kucharczyk	1