

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

03107667

Directors' Report and Financial Statements

For the year ended 30 September 1998

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ZAIDI & CO **Chartered Accountants** **& Registered Auditors**

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AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

COMPANY INFORMATION

Directors	:	Mr Ray Humphreys
Secretary	:	Miss Julie Wheeler
Registered Office	:	Charter House 51-53 Bickersteth Road London SW17 9SH
Bankers	:	Natwest Bank Plc P O Box 333 1 High Street Croydon CR9 1UY
Auditors	:	Zaidi & Co Chartered Accountants 239 Mitcham Road London SW17 9JG
Company Number	:	3 1 0 7 6 6 7

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

DIRECTORS' REPORT

The directors present their report and the audited accounts of the company for the year ended 30 September 1998.

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 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.

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 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.

Principal Activities

The principal activities of the company remained that of Computer Consultancy.

Review of the Business

The directors are of the opinion that the state of company's affairs at the Balance Sheet date was satisfactory.

Results and Dividends

The results for the year are set out in detail in page 3.

The directors recommend payment of a dividend of £10,000 per share.

Directors and their Interests

The directors who served during the year and their interests in the company were as stated below:

	30 September 1998 Ordinary Shares of £1 each	30 September 1997 Ordinary Shares of £1 each
Mr Ray Humphreys	55	1

Date: 28-7-99
Registered Office:
Charter House
51-53 Bickersteth Road
London SW17 9SH

On behalf of the Board

J.K. Wheeler
Miss J Wheeler
(Secretary)

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

AUDITORS' REPORT

TO THE SHAREHOLDERS OF AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

We have audited the accounts on pages 3 to 8 which have been prepared in accordance with the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described on page 1, the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 September 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

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ZAIDI & CO
CHARTERED ACCOUNTANTS
AND REGISTERED AUDITORS

239 Mitcham Road
London SW17 9JG

29 - 7 - 1999

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1998

	Notes	1998 £	1997 £
TURNOVER	2	445,365	313,747
Cost of Sales		(215,678)	(147,857)
		-----	-----
GROSS PROFIT		229,687	165,890
Administrative Expenses		(141,790)	(145,498)
		-----	-----
OPERATING PROFIT	3	87,897	20,392
Interest receivable	4	2,933	447
		-----	-----
Profit on ordinary activities before taxation		90,830	20,839
Tax on Profit on ordinary activities	6	(19,395)	(4,515)
		-----	-----
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		71,435	16,324
Dividends	7	(20,000)	-
		-----	-----
Retained Profit for the year		51,435	16,324
Retained Profit/(Loss) at 01 October 1997		15,998	(326)
		-----	-----
Retained Profit at 30 September 1998		67,433	15,998
		=====	=====

CONTINUING OPERATIONS

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

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

Total recognised gains relating to the year	51,435	16,324
	=====	=====

The notes on pages 5 and 7 form an integral part of these financial statements.

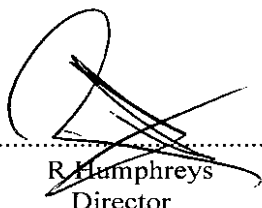
AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

BALANCE SHEET - 30 SEPTEMBER 1998

	Note	1998	1997
		£	£
FIXED ASSETS			
Intangible Assets	8	-	84
Tangible Assets	9	11,653	14,818
		-----	-----
		11,653	14,902
CURRENT ASSETS			
Stocks	10	5,579	22,470
Debtors	11	72,919	17,865
Cash at bank		88,441	29,426
		-----	-----
		166,939	69,761
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	12	(111,059)	(68,663)
		-----	-----
NET CURRENT ASSETS		55,880	1,098
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		67,533	16,000
		-----	-----
NET ASSETS		67,533	16,000
		=====	=====
CAPITAL AND RESERVES			
Called up Share Capital	13	100	2
Profit and Loss Account		67,433	15,998
		-----	-----
Shareholders' Fund	14	67,533	16,000
		=====	=====

The directors have taken advantage of special exemptions conferred by Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company is entitled to those exemptions.

The financial statements were approved by the Board on and signed on its behalf by


 R. Humphreys
 Director

Date: 28-7-99

The notes on pages 5 and 7 form an integral part of these financial statements.

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1998

1. Accounting Policies

1.1 Accounting Convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cash flow statement because it is a small company.

1.2 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on reducing balance method to write off the cost of each assets over its expected useful life, as follows:

Software developed in-house	-	20% Straight line
Fixtures & Fittings	-	33 $\frac{1}{3}$ % Straight line
Goodwill	-	33 $\frac{1}{3}$ % Straight line

2. Turnover

Turnover represents amounts receivable for goods and services net of value added tax.

The total turnover of the company for the year has been derived from its principal activity wholly undertaken in the UK.

3. Operating Profit

	1998	1997
	£	£
Operating Profit is arrived at after charging:		
Depreciation of tangible assets	6,227	5,217
Amortisation of Goodwill	84	83
Auditors' remuneration	1,500	1,500
	=====	=====

4. Interest Receivable

	1998	1997
	£	£
Interest Receivable	2,933	447
	=====	=====

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1998
(Continued)

5. Directors Emoluments	1998	1997
	£	£
Director's Remuneration	18,050	25,800
	=====	=====
6. Taxation	1998	1997
	£	£
UK Corporation Tax @ 21% & 24%	19,395	4,515
	=====	=====
7. Dividend	1998	1997
	£	£
Ordinary: paid	20,000	-
	=====	=====
8. Intangible Fixed Assets	Goodwill	Total
	£	£
Cost		
As at 1 October 1997	250	250
	-----	-----
As at 30 September 1998	250	250
	=====	=====
Amortisation		
As at 1 October 1997	166	166
Charge for the year	84	84
	-----	-----
As at 30 September 1998	250	250
	=====	=====
Net book value		
As at 30 September 1998	-	-
	=====	=====
As at 30 September 1997	83	83
	=====	=====

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1998

(Continued)

9. Tangible Fixes Assets	Furniture & Fittings £	Software Developed in-house £	Total £
Cost			
At 1 October 1997	1,250	24,002	25,252
Addition	3,061	-	3,061
	-----	-----	-----
At 30 September 1998	4,311	24,002	28,313
	=====	=====	=====
Depreciation			
At 1 October 1997	834	9,600	10,434
Charge for the year	1,426	4,800	6,226
	-----	-----	-----
As at 30 September 1998	2,260	14,400	16,660
	=====	=====	=====
Net Book Values			
At 30 September 1998	2,051	9,602	11,653
	=====	=====	=====
At 30 September 1997	416	14,402	14,818
	=====	=====	=====

10. Stocks	1998 £	1997 £
Stated at cost or NRV	5,579	22,470
	=====	=====

11. Debtors	1998 £	1997 £
Trade Debtors	63,882	15,940
ACT Recoverable	5,000	-
Sundry Debtors & Prepayments	4,037	1,925
	-----	-----
	72,919	17,865
	=====	=====

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 1998

(Continued)

12. Creditors: amounts falling due within one year	1998 £	1997 £
Bank Loans & Overdraft	7,101	-
Trade Creditors	57,702	55,172
Corporation Tax	19,395	4,515
ACT Payable	5,000	-
VAT Payable	9,500	2,792
PAYE/NIC Payable	1,929	-
Other Creditors	6,433	4,233
Director's Current Accounts	134	-
Accruals and Deferred Income	3,865	1,951
	----- 111,059 =====	----- 68,663 =====
13. Called up Share Capital	1998 £	1997 £
Authorised		
1000 Ordinary shares of £1 each	1000 =====	1000 =====
Allotted		
100 Ordinary shares of £1 each	100 =====	2 =====
14. Reconciliation of Movements in Shareholders' Funds	1998 £	1997 £
Profit for the year	71,435	16,324
Dividends	(20,000)	-
Issued Share Capital	98	-
	-----	-----
Net addition to shareholders' funds	51,533	16,324
Opening shareholders' funds	16,000	(324)
	----- 67,533 =====	----- 16,000 =====