

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

FINANCIAL STATEMENTS
30TH SEPTEMBER 1997

3107667



KEELING LESTER & CO
Chartered Certified Accountants

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30TH SEPTEMBER 1997

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AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

COMPANY INFORMATION

30TH SEPTEMBER 1997

Incorporated in England on 28th September 1995

Number 3107667

DIRECTOR R. Humphreys

SECRETARY J. Wheeler

REGISTERED OFFICE Charter House
51-53 Bickorsteth Road
London SW17 9SH

BANKERS Natwest Bank plc
PO Box 333
1 High Street
Croydon CR9 1UY

AUDITORS Keeling Lester & Co.
Registered Auditors
Chartered Certified Accountants
45 Chigwell Road
South Woodford
London E18 1NG

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

DIRECTOR'S REPORT

30TH SEPTEMBER 1997

The director presents his report and the audited financial statements for the year ended 30th September 1997.

Principal activity

The principal activity of the company is that of computer consultancy.

Director

The director of the company during the year and his interest in the shares of the company as recorded in the register of director's interests were as follows:

	30.9.1997 Ordinary shares	1.10.1996 Ordinary shares
R. Humphreys	2	2

Auditors

Keeling Lester & Co. have agreed to offer themselves for re-appointment as auditors of the company.

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

Dated: 30th June 1998

J. K. Wheeler

J. Wheeler
Secretary

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the director to prepare financial statements for each financial period 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

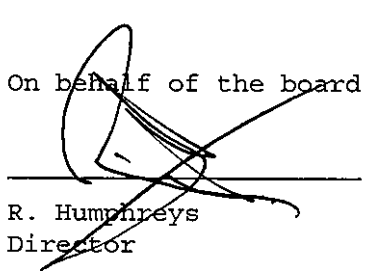
- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is also 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;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

Dated: 30th June 1998

On behalf of the board


R. Humphreys
Director

AUDITORS' REPORT TO THE MEMBERS OF
AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

We have audited the financial statements on pages 5-10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3, 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 error or other irregularity. 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 30th September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Dated: 30th June 1998


Keeling Lester & Co.
Registered Auditors
Chartered Certified Accountants
45 Chigwell Road
South Woodford
London E18 1NG

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 30TH SEPTEMBER 1997

	Note	1997 £	1996 £
TURNOVER	2	313,747	147,827
Cost of sales		(147,857)	(61,917)
GROSS PROFIT		165,890	85,910
NET OPERATING EXPENSES			
Distribution costs		(8,343)	(7,278)
Administrative expenses		(137,153)	(78,960)
Other operating income		447	-
PROFIT/(loss) on ordinary activities before taxation		20,841	(328)
Taxation	5	(4,515)	-
PROFIT/(loss) on ordinary activities after taxation		16,326	(328)
RETAINED PROFIT at 1st October 1996		(328)	-
RETAINED PROFIT at 30th September 1997		£ 15,998	£ (328)

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

There are no recognise gains and losses in 1997 or 1996 other than the profit/(loss) for the period.

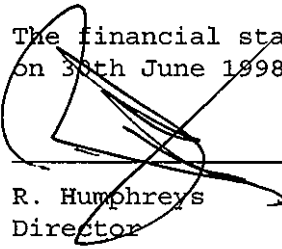
BALANCE SHEET

30TH SEPTEMBER 1997

	Note	1997		1996	
		£	£	£	£
FIXED ASSETS					
Intangible assets	6		84		167
Tangible assets	7		14,818		20,035
			<hr/>		<hr/>
			14,902		20,202
CURRENT ASSETS					
Stocks	8	22,470		6,800	
Debtors	9	17,865		2,738	
Cash at bank and in hand		29,426		4,912	
			<hr/>		<hr/>
			69,761		14,450
CREDITORS: amounts falling due within one year	10	(68,663)		(25,178)	
			<hr/>		<hr/>
NET CURRENT ASSETS/(LIABILITIES)			1,098		(10,728)
			<hr/>		<hr/>
TOTAL ASSETS LESS CURRENT LIABILITIES			16,000		9,474
CREDITORS: amounts falling due after more than one year	11		-		(9,800)
			<hr/>		<hr/>
			16,000		(326)
			<hr/>		<hr/>
CAPITAL AND RESERVES					
Called up share capital	12		2		2
Profit and loss account			15,998		(328)
			<hr/>		<hr/>
TOTAL SHAREHOLDERS' FUNDS	13		16,000		(326)
			<hr/>		<hr/>

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 were approved by the board of directors on 30th June 1998 and signed on its behalf by:


R. Humphreys
Director

The notes of pages 7-10 form part of these accounts.

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

NOTES ON FINANCIAL STATEMENTS - 30TH SEPTEMBER 1997

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.

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:

Software developed in-house	20% straight line
Plant and machinery	33% straight line
Goodwill	33% straight line

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

2 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.

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1996 nil)

3 OPERATING PROFIT/(LOSS)

	1997 £	1996 £
Operating profit/(loss) is stated after crediting		
Interest receivable	447	-
and after charging		
Auditors' remuneration	1,500	-
Depreciation of tangible fixed assets	5,217	5,217
Amortisation of intangible fixed assets	83	83
	5,300	5,300

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

NOTES ON FINANCIAL STATEMENTS - 30TH SEPTEMBER 1997

4 DIRECTORS

	1997 £	1996 £
Director's emoluments	25,800	24,900

5 TAXATION

	1997 £	1996 £
Corporation tax on profit on ordinary activities at 24%/21%	4,515	-

6 INTANGIBLE FIXED ASSETS

	Goodwill £
Cost	
1st October 1996	250
and	
30th September 1997	
Amortisation	
1st October 1996	83
Charge for the year	83
30th September 1997	166
Net book amount	
30th September 1997	84
30th September 1996	167

7 TANGIBLE FIXED ASSETS

	Plant and Machinery £	Software Developed In-House £	Total £
Cost			
1st October 1996			
and			
30th September 1997	1,250	24,002	25,252
Depreciation			
1st October 1996	417	4,800	5,217
Charge for year	417	4,800	5,217
30th September 1997	834	9,600	10,434
Net book amount			
30th September 1997	416	14,402	14,818
30th September 1996	833	19,202	20,035

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

NOTES ON FINANCIAL STATEMENTS - 30TH SEPTEMBER 1997

8 STOCKS

	1997 £	1996 £
Stocks	22,470	6,800

9 DEBTORS

	1997 £	1996 £
Amounts falling due within one year		
Trade debtors	15,940	2,071
Other debtors	1,925	667
	17,865	2,738

10 CREDITORS: amounts falling due within one year

	1997 £	1996 £
Trade creditors	55,172	7,165
Corporation tax	4,515	-
Other taxation and social security	2,792	8,270
Other creditors	4,233	7,401
Accruals	1,951	2,342
	68,663	25,178

11 CREDITORS: amounts falling due after more than one year

	1997 £	1996 £
Other creditors	-	9,800
	-	9,800
Maturity of debt included above		
Between one and two years	-	9,800
	-	9,800

AVANT-GARDE SOFTWARE SOLUTIONS LIMITED

NOTES ON FINANCIAL STATEMENTS - 30TH SEPTEMBER 1997

12 CALLED UP SHARE CAPITAL

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
£1 ordinary shares	100	100	100	100
Allotted called up and fully paid				
£1 ordinary shares	2	2	2	2

13 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997 £	1996 £
Profit/(loss) for the financial period	36,976	(328)
New share capital subscribed	-	2
Net addition to/(subtraction from) shareholders' funds	36,976	(326)
Opening shareholders' funds	(326)	-
Closing shareholders' funds	36,650	(326)