

Registered no. 1675661

ANALYSTIC LIMITED

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 NOVEMBER 1998**



**LUBBOCK FINE
Chartered Accountants
Russell Bedford House
City Forum, 250 City Road
London EC1V 2QQ**

ANALYSTIC LIMITED

CONTENTS

PAGE

Officers and advisers	1
Directors' report	2
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes to the accounts	7

For information of the directors only:

Detailed trading and profit and loss account	13
Schedule to the trading and profit and loss account	14
Schedule of overhead expenses	15

ANALYSTIC LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 NOVEMBER 1998

OFFICERS AND PROFESSIONAL ADVISERS

Directors:	Richard A Lander Peter B Hoare
Secretary:	Stephen Huggard
Registered Office:	No.1 Gallery Court Pilgrimage Street London SE1 4LL
Registered Number:	1675661
Auditors:	Lubbock Fine Chartered Accountants Russell Bedford House City Forum, 250 City Road London EC1V 2QQ
Bankers:	Lloyds Bank plc 25 Camberwell Green London SE5 7AB

ANALYSTIC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 1998

Financial Statements

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

Principal Activity

The principal activities of the company are the development and sale of high quality software systems, the provision of related consultancy services and maintenance facilities.

Directors' Interests

The interest of the directors in the shares of the company at the beginning and end of the year, was as follows:

Beneficial holding:	1998 shares of 1p each	1997 shares of 1p each
Andrew C Worth (resigned 1 July 1999)	6,745	30,224
Peter B Hoare (appointed 21 May 1998)	11,170	5,110
Richard A Lander	20,200	20,200
Simon D Potter (resigned 21 May 1998)	-	8,418
David R S James	-	-
(appointed 21 May 1998 and resigned 1 July 1999)	-	-
Margaret E Howat	-	-
(appointed 21 May 1998 and resigned 1 July 1999)	-	-

Year 2000

The directors will undertake a review in the year ended 30 November 1999 to assess the potential impact of the Year 2000 'millennium bug' upon the company. The results of this review will form the basis of an action plan to ensure that millennium compliance is achieved. The directors anticipate that the costs in respect of the review, action plan and remedial work will not be significant.

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 and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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.

ANALYSTIC LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 NOVEMBER 1998 (CONT)

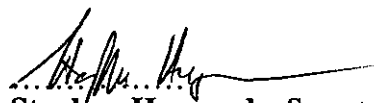
Auditors

Lubbock Fine have indicated their willingness to accept re-appointment as auditors to the company and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Small Company Provisions

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the Board



Stephen Huggard - Secretary

Date: 24.9.99

ANALYSTIC LIMITED

AUDITORS' REPORT TO THE MEMBERS OF ANALYSTIC LIMITED

We have audited the financial statements on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2, 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.

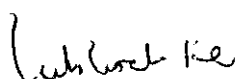
Basis of opinion

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 30 November 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Lubbock Fine
Chartered Accountants
Registered Auditors

Date: 14.12.99

Russell Bedford House
City Forum, 250 City Road
London EC1V 2QQ

ANALYSTIC LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 NOVEMBER 1998

	Note	1998 £	1997 £
TURNOVER	2	1,750,984	976,498
Cost of sales		(1,037,586)	(725,150)
GROSS PROFIT		713,398	251,348
Net operating expenses	3	(502,445)	(224,339)
OPERATING PROFIT	4	210,953	27,009
Profit on sale of fixed assets		50,285	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		261,238	27,009
Other interest receivable and similar income		6,394	8,146
Amounts written off investments		(19,999)	-
Interest payable and similar charges		(41)	(55)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		247,592	35,100
Tax on profit on ordinary activities	5	(55,829)	(2,515)
RETAINED PROFIT FOR THE FINANCIAL YEAR		191,763	32,585
Retained profit brought forward		346,796	314,211
RETAINED PROFIT CARRIED FORWARD		538,559	346,796

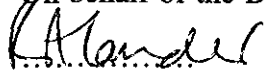
ANALYSTIC LIMITED

BALANCE SHEET AT 30 NOVEMBER 1998

	Note	1998 £	1997 £
FIXED ASSETS			
Tangible assets	6	143,578	113,476
Investments	7	101	326
		<u>143,679</u>	<u>113,802</u>
CURRENT ASSETS			
Work in progress		20,642	20,672
Debtors	8	553,338	447,553
Cash at bank and in hand		229,678	35,426
		<u>803,658</u>	<u>503,651</u>
CREDITORS			
Amounts falling due within one year	9	<u>(405,108)</u>	<u>(266,987)</u>
NET CURRENT ASSETS		398,550	236,664
NET ASSETS		<u><u>542,229</u></u>	<u><u>350,466</u></u>
CAPITAL AND RESERVES			
Called up share capital	10	1,010	1,010
Share premium account		2,660	2,660
Profit and loss account		538,559	346,796
SHAREHOLDERS' FUNDS		<u><u>542,229</u></u>	<u><u>350,466</u></u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

On behalf of the Board



Richard A. Lander - Director

Date: 28/9/99

ANALYSTIC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1998

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Consolidation

The parent company and its subsidiary undertaking comprise a small group. The company has therefore taken advantage of the exemption provided by section 248 of the Companies Act 1985 not to prepare group accounts.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 30 November 1998 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 30 November 1998 and of the results for the year ended on that date.

Depreciation

Depreciation has been provided to write off tangible fixed assets over their estimated useful lives on a straight line basis at the following rates:

Computer hardware and software	- 33% per annum
Fixtures and fittings	- 15% per annum
Motor vehicles	- 25% per annum

Work in progress

Work in progress have been valued at the lower of actual cost (including an addition where appropriate for overhead expenses) and net realisable value.

2. TURNOVER

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities, after deduction of trade discounts, value added tax and any other taxes based on turnover.

Turnover and profit before tax are attributable to the development and sale of computer software systems and the provision of related consultancy services.

24% of the company's turnover related to exports (1997 -15%).

3. NET OPERATING EXPENSES

	1998 £	1997 £
Administrative expenses	<u>502,445</u>	<u>224,339</u>

ANALYSTIC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1998 (CONT)

4. OPERATING PROFIT

Operating profit is stated after charging and crediting:

	1998 £	1997 £
Directors' emoluments	177,949	82,449
Depreciation of fixed assets	62,196	36,551
Auditors' remuneration	4,500	4,500
Loss on the sale of fixed assets	-	(27)
	<u> </u>	<u> </u>

5. TAXATION ON ORDINARY ACTIVITIES

	1998 £	1997 £
Corporation tax at 21 %	53,760	2,515
Prior year		
Corporation tax under (over) provided	2,069	-
	<u> </u>	<u> </u>
	<u>55,829</u>	<u>2,515</u>

ANALYSTIC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1998 (CONT)

6. TANGIBLE FIXED ASSETS

	Computer hardware and software £	Fixtures and fittings £	Motor vehicles £	Total £
Cost				
At 1 December 1997	180,208	39,865	7,500	227,573
Additions	57,596	34,702	-	92,298
At 30 November 1998	<u>237,804</u>	<u>74,567</u>	<u>7,500</u>	<u>319,871</u>
Depreciation				
At 1 December 1997	88,631	17,966	7,500	114,097
Charge for the year	54,295	7,901	-	62,196
At 30 November 1998	<u>142,926</u>	<u>25,867</u>	<u>7,500</u>	<u>176,293</u>
Net book value				
At 30 November 1998	<u>94,878</u>	<u>48,700</u>	<u>-</u>	<u>143,578</u>
At 30 November 1997	<u>91,577</u>	<u>21,899</u>	<u>-</u>	<u>113,476</u>

7. INVESTMENTS

Shares in group undertakings and participating interests

	1998 £
Cost	
At 1 December 1997	315
Additions	20,000
Disposals	(215)
At 30 November 1998	<u>20,100</u>
Provision	
During the year and At 30 November 1998	<u>19,999</u>
Net cost or valuation	<u>101</u>

ANALYSTIC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1998 (CONT)

Investments other than loans

	1998 £
Cost	
At 1 December 1997	13
Disposals	(13)
	<hr/>
At 30 November 1998	-
	<hr/>

The company owns more than 20% of the issued share capital of the following company:

Name	Nature of business	Country of registration	Shares held, class/percentage
Analystic Esop Trust Limited	Trustees of the company's Employee Share Option Scheme	England	Ordinary/100%

	Aggregate amount of capital and reserves		Profit (loss) for the year	
	1998 £	1997 £	1998 £	1997 £
Analystic ESOP Trust Ltd	100	100	100	100
	<hr/>	<hr/>	<hr/>	<hr/>

8. DEBTORS

	1998 £	1997 £
Trade debtors	497,119	390,137
Other debtors	56,219	57,416
	<hr/>	<hr/>
	553,338	447,553
	<hr/>	<hr/>

9. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	1998 £	1997 £
Trade creditors	89,328	63,289
Corporation tax payable	53,760	2,515
Social security and other taxes	108,453	54,202
Other creditors and deferred income	153,567	146,981
	<hr/>	<hr/>
	405,108	266,987
	<hr/>	<hr/>

ANALYSTIC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1998 (CONT)

10. SHARE CAPITAL

	1998 £	1997 £
Authorised 200,000 ordinary shares of 1p each	<u>2,000</u>	<u>2,000</u>
Allotted, called up and fully paid 101,000 ordinary shares of 1p each	<u>1,010</u>	<u>1,010</u>

11. POST BALANCE SHEET EVENTS

On 22 July 1999, the company repurchased its own 51,510 ordinary shares of 1p each from Demica plc, for a total consideration of £277,853.

12. LEASING COMMITMENTS

At 30 November 1998 the company had annual commitments under non-cancellable operating leases as detailed below:

	1998 £	1997 £
Operating leases which expire:		
After more than five years	<u>24,372</u>	<u>24,372</u>
	<u>24,372</u>	<u>24,372</u>

13. FINANCIAL TRANSACTIONS WITH DIRECTORS

During the year the company had transactions at arms length with companies who had directors in common with this company.

These transactions were as follows:

Company name	Sales and contributions £	Purchases from £
Risk Limited (Simon D. Potter)	3,132	12,000
Demica Plc (Simon D. Potter, Margaret Howat and David R S James)	592,120	-
The Galleria Group Limited (Andrew C. Worth)	<u>16,769</u>	<u>-</u>

At the balance sheet date, the company was owed £202,403 by Demica Plc.

ANALYSTIC LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30 NOVEMBER 1998 (CONT)

14. PARENT UNDERTAKING

The ultimate parent company at the balance sheet date was Demica Plc, a company registered in England and Wales.