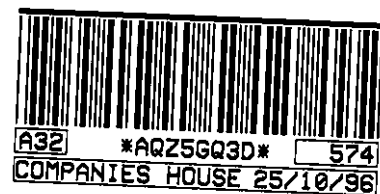




**CERTES COMPUTING LIMITED**

**Report and Financial Statements**

**31 March 1996**



**Deloitte & Touche  
Colmore Gate  
2 Colmore Row  
Birmingham  
B3 2BN**



## **DIRECTORS' REPORT**

The directors present their annual report and the audited financial statements for the year ended 31 March 1996.

## **ACTIVITIES**

The principal activity of the company is that of a computer staff agency to provide computer programmers, systems analysts and other personnel.

## **REVIEW OF THE BUSINESS AND FUTURE PROSPECTS**

The directors consider the company had an acceptable trading performance in the year and they are confident of further growth in the future.

## **DIVIDENDS AND TRANSFERS TO RESERVES**

The directors do not recommend the payment of a final dividend (1995 - £200,000). The retained profit of £654,205 (1995 - £168,162) has been transferred to reserves.

## **FIXED ASSETS**

Movement in fixed assets are shown in note 7 to these accounts.

## **DIRECTORS AND THEIR INTERESTS**

The directors who served during the year were:

R F Lindsey  
K J McMaster  
S K J Churan  
D Lane (appointed 1 April 1995)  
R Tompkin (appointed 11 September 1995)  
N H P Lloyd (appointed 1 May 1996)

R F Lindsey and K J McMaster are directors of the ultimate parent company and their interests in shares are disclosed in the directors' report of that company.

S K J Churan, D Lane and R Tompkin held no shares in this company or any other group company.

## **AUDITORS**

On 1 February 1996 our auditors changed the name under which they practise to Deloitte & Touche and, accordingly, have signed their report in their new name. A resolution for the reappointment of Deloitte & Touche as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board

R F LINDSEY

Secretary



## **STATEMENT OF 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 as at the end of the financial year 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
- state whether applicable accounting standards have been followed
- 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. 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.



## Chartered Accountants

Deloitte & Touche  
Colmore Gate  
2 Colmore Row  
Birmingham B3 2BN

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International + 44 121 200 2211  
Fax (Gp. 3): 0121 695 5311

## AUDITORS' REPORT TO THE MEMBERS OF

### CERTES COMPUTING LIMITED

We have audited the financial statements on pages 4 to 10 which have been prepared under the accounting policies set out on page 6.

#### 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 31 March 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Chartered Accountants and Registered Auditors

14 October 1996



**PROFIT AND LOSS ACCOUNT**  
**Year ended 31 March 1996**

	Note	1996 £	1995 £
<b>TURNOVER</b>	1	17,709,592	10,187,265
Cost of sales		(14,613,745)	(8,373,870)
Gross profit		<u>3,095,847</u>	<u>1,813,395</u>
Selling and distribution costs		(1,456,050)	(914,231)
Administrative expenses		(644,362)	(339,765)
		<u>(2,100,412)</u>	<u>(1,253,996)</u>
<b>OPERATING PROFIT</b>	3	995,435	559,399
Interest payable	4	(1,609)	(1,325)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		993,826	558,074
Tax on profit on ordinary activities	5	(339,621)	(189,912)
<b>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</b>		654,205	368,162
Dividends payable	6	-	(200,000)
<b>RETAINED PROFIT FOR THE YEAR</b>	13	<u>654,205</u>	<u>168,162</u>

All activities derive from continuing operations.

There are no recognised gains and losses other than the profit for the financial year. Accordingly, no statement of total recognised gains and losses is given.


**BALANCE SHEET  
31 March 1996**

	Note	£	1996 £	£	1995 £
<b>FIXED ASSETS</b>					
Tangible assets	7		231,051		170,239
<b>CURRENT ASSETS</b>					
Debtors	8	2,534,900		2,404,855	
Cash at bank and in hand		175		387,762	
		<u>2,535,075</u>		<u>2,792,617</u>	
<b>CREDITORS: amounts falling due within one year</b>	9	<u>(1,106,485)</u>		<u>(1,966,588)</u>	
<b>NET CURRENT ASSETS</b>			<u>1,428,590</u>		<u>826,029</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,659,641		996,268
<b>CREDITORS: amounts falling due after more than one year</b>	10		<u>(9,168)</u>		<u>-</u>
			<u>1,650,473</u>		<u>996,268</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	12		100		100
Profit and loss account	13		<u>1,650,373</u>		<u>996,168</u>
<b>EQUITY SHAREHOLDERS' FUNDS</b>	14		<u>1,650,473</u>		<u>996,268</u>

These financial statements were approved by the Board of Directors on 27<sup>th</sup> August 96  
Signed on behalf of the Board of Directors

K J McMASTER

R F LINDSEY  
Directors

**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1996**

**1. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

**Accounting convention**

The financial statements are prepared under the historical cost convention.

**Turnover**

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities.

**Tangible fixed assets**

Depreciation is calculated to write down the value of fixed assets to their estimated residual values over their expected useful lives. The principal annual rates are as follows:

Motor vehicles	20% per annum
Fixtures and fittings	20% per annum
Computer equipment	33% per annum

**Deferred taxation**

Deferred taxation is provided at the anticipated tax rates on differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements to the extent that it is probable that a liability or asset will crystallise in the future.

**Leased assets**

Fixed assets leased under finance leases are capitalised and depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. Rentals payable under operating leases are charged to the profit and loss account as incurred.

**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES**

	1996 £	1995 £
<b>Directors' emoluments</b>		
Fees	12,000	-
Management remuneration	103,198	56,021
	<u>115,198</u>	<u>56,021</u>
 Remuneration of the highest paid director	 <u>53,775</u>	 <u>56,021</u>
 <b>Scale of other directors' remuneration</b>	 <b>No</b>	 <b>No</b>
£ 0 - £ 5,000	2	2
£ 10,001 - £ 15,000	1	-
£ 45,001 - £ 50,000	1	-
	<u>4</u>	<u>2</u>
 <b>Average number of persons employed</b>		
Office and management staff	17	13
Production and sales staff	30	20
	<u>47</u>	<u>33</u>


**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1996**
**2. INFORMATION REGARDING DIRECTORS AND EMPLOYEES (continued)**

	1996 £	1995 £
<b>Staff costs during the year (including directors)</b>		
Wages and salaries	1,127,095	661,598
Social security costs	108,652	63,961
Other pension costs	3,123	264
	<u>1,238,870</u>	<u>725,823</u>

**3. OPERATING PROFIT**

	1996 £	1995 £
<b>Operating profit is after charging:</b>		
Depreciation:		
Owned assets	54,496	19,920
Leased assets	12,280	26,016
Rentals under operating leases:		
Other operating leases	19,453	-
Auditors' remuneration:		
Audit services	3,070	2,705
Non-audit services	4,370	650
	<u>          </u>	<u>          </u>

**4. INTEREST PAYABLE**

	1996 £	1995 £
Finance lease interest	<u>1,609</u>	<u>1,325</u>

**5. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1996 £	1995 £
United Kingdom corporation tax at 33% (1995 - 33%) based on the profit for the year	338,485	189,912
Under provision for earlier years:		
Corporation tax	1,136	-
	<u>339,621</u>	<u>189,912</u>

**6. DIVIDENDS PAYABLE**

	1996 £	1995 £
Final proposed	<u>-</u>	<u>200,000</u>




**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1996**
**7. TANGIBLE FIXED ASSETS**

	Motor vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>			
At 1 April 1995	191,339	50,300	241,639
Additions	94,014	40,668	134,682
Disposals	(11,950)	-	(11,950)
At 31 March 1996	273,403	90,968	364,371
<b>Accumulated depreciation</b>			
At 1 April 1995	55,363	16,037	71,400
Charge for the year	45,481	21,295	66,776
Disposals	(4,856)	-	(4,856)
At 31 March 1996	95,988	37,332	133,320
<b>Net book value</b>			
At 31 March 1996	177,415	53,636	231,051
At 31 March 1995	135,976	34,263	170,239

The net book value of tangible fixed assets includes £73,660 (1995 - £24,692) in respect of assets held under finance leases.

**8. DEBTORS**

	1996 £	1995 £
Trade debtors	2,534,900	2,254,855
Amounts owed by fellow subsidiaries	-	150,000
	2,534,900	2,404,855

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	1996 £	1995 £
Bank overdraft	248,593	-
Trade creditors	94,496	1,178,473
Amounts owed to parent company	96,746	150,000
Finance lease obligations (note 11)	26,749	10,000
Corporation tax	338,485	189,912
Other taxation and social security	215,394	201,977
Other creditors	9,213	-
Accruals and deferred income	76,809	36,226
Dividends payable	-	200,000
	1,106,485	1,966,588


**NOTES TO THE ACCOUNTS**
**Year ended 31 March 1996**
**10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	1996 £	1995 £
Obligations under finance leases (note 11)	9,168	-

**11. OBLIGATIONS UNDER FINANCE LEASES**

	1996 £	1995 £
Due within one year	26,749	10,000
Due within one to two years	9,168	-
	<u>35,917</u>	<u>10,000</u>

Obligations under finance leases are secured by related leased assets.

**12. CALLED UP SHARE CAPITAL**

	1996 £	1995 £
<b>Authorised</b>		
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
<b>Allotted and fully paid</b>		
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

**13. PROFIT AND LOSS ACCOUNT**

	£
At 1 April 1995	996,168
Retained profit for the year	<u>654,205</u>
At 31 March 1996	<u>1,650,373</u>

**14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

	1996 £	1995 £
Profit for the financial year	654,205	368,162
Dividends payable	-	(200,000)
Net addition to shareholders' funds	<u>654,205</u>	<u>168,162</u>
Opening shareholders' funds	<u>996,268</u>	<u>828,106</u>
Closing shareholders' funds	<u>1,650,473</u>	<u>996,268</u>



**NOTES TO THE ACCOUNTS**  
**Year ended 31 March 1996**

**15. FINANCIAL COMMITMENTS**

	1996 £	1995 £
<b>Capital commitments</b>		
Contracted for but not provided	-	-
Authorised but not yet contracted for	-	-
<b>Operating lease commitments</b>		
At 31 March 1996, the company was committed to making the following payments during the next year in respect of operating leases:		
	<b>Land and buildings £</b>	
Leases which expire within two to five years	22,000	

**16. ULTIMATE PARENT COMPANY**

The ultimate parent company is Certes Group PLC, a company registered in England and Wales. Copies of the group financial statements of Certes Group PLC are available from The Registrar of Companies, Companies House, Maindy Cardiff CF4 3UZ.