

CIC SOFTWARE LTD

26 High Street, Merstham
Redhill, Surrey

FINANCIAL STATEMENTS FOR THE YEAR END
31ST DECEMBER 1995
FOR
CIC SOFTWARE LIMITED



CONSOLIDATED MANAGEMENT & ACCOUNTANCY SERVICES
25 TURKETEL ROAD, FOLKESTONE, KENT CT20 2NZ

CIC SOFTWARE LIMITED

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CIC SOFTWARE LIMITED

COMPANY INFORMATION

DIRECTORS:	B. Waddington J.A. Bonner
SECRETARY:	Mrs. R.E. Waddington
REGISTERED OFFICE:	26 High Street Merstham Redhill Surrey
REGISTERED NUMBER:	1787440
AUDITOR:	J. McIntyre C.A., Flat 1, Edinburgh Place, Folkestone, Kent, CT20 2HP

REPORT OF THE DIRECTORS

The Directors have pleasure in submitting their annual report together with the financial statements for the year ended 31 December 1995.

FINANCIAL ACTIVITY

The principal activity of the Company for the year under review was that of Computer Software and Hardware and Spare Parts.

STATEMENT OF DIRECTORS

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 period. In preparing those financial statements, the Director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 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. He is 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.

REVIEW OF BUSINESS

The results for the year and the financial position of the Company are as shown in the annexed financial statements.

DIVIDENDS AND TRANSFER TO RESERVES

No dividends will be distributed for the year ended 31 December 1995. The retained profits transferred to reserves will be £7632.

DIRECTORS

The Directors in office during the year and their beneficial interests in the issued share capital were as follows:

	at 3.12.95	at 31.12.94
B. Waddington	25040	25040
J.A. Bonner	-	-

CIC SOFTWARE

DIRECTORS REPORT (continued)

AUDITOR

The Auditor J. McIntyre C.A., will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

RE. Waddlyte.

Secretary

Date: 28/5/96.

REPORT OF THE AUDITOR TO THE MEMBERS OF CIC SOFTWARE LTD

I have audited the financial statements on page 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on pages 7 and 8.

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 my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of Opinion.

I conducted my 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 judgments 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material mis-statement, whether caused by fraud or other irregularity or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements. I did not attend the stock take and, therefore, I am unable to independently confirm the quantities of stock valued in the Balance Sheet at £123262. I have therefore accepted assurances from the Directors that these quantities were correct.

Opinion.

In my opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Folkestone, Kent.


Registered Auditor

4.5.96

CIC SOFTWARE LTD

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
<u>TURNOVER</u>	2	538387	554596
Cost of Sales		<u>332646</u>	<u>358000</u>
<u>GROSS PROFIT</u>		205741	187906
Administrative expenses	188566		190537
Other Operating Charges	<u>9304</u>		<u>8757</u>
		<u>197870</u>	<u>199289</u>
<u>OPERATING PROFIT/LOSS</u>		7871	< 11383 >
Rent received		12300	-
Interest Paid	5	< 9999 >	6104
		<u>10172</u>	<u>< 17487 ></u>
<u>PROFIT/LOSS BEFORE TAXATION</u>		10172	< 17487 >
<u>TAXATION</u>	6	<u>2540</u>	<u>4431</u>
		7632	< 13056 >
RETAINED PROFITS B/FWD		8977	22033
<u>BALANCE CARRIED F/WD</u>		<u>16609</u>	<u>8977</u>

The notes form part of these financial statements


CIC SOFTWARE LTD

BALANCE SHEET AS AT 31 DECEMBER 1995

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
<u>FIXED ASSETS</u>	7	68455	72896
Tangible Assets			
<u>CURRENT ASSETS</u>			
Stocks and Work in Progress	8	130762	138477
Debtors	9	22733	27688
		<u>153495</u>	<u>166165</u>
CREDITORS: Amounts falling due within one year	10	125834	138312
After one year	11	<u>54427</u>	<u>66692</u>
		<u>180261</u>	<u>205004</u>
NET CURRENT ASSETS/ (LIABILITIES)		<26766>	<38839>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>41689</u>	<u>34057</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	12	25080	25080
Profit and loss account		16609	8977
		<u>41689</u>	<u>34057</u>

The financial statements were approved on

28th May 1996


B. WADDINGTON
 Director

The notes form part of these financial statements

CIC SOFTWARE LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1994

1. ACCOUNTING POLICIES

The accounting policies adopted by the Company are as detailed below:

a) Accounting Convention

The financial statements are prepared under the approved auditing standards.

b) Depreciation

Depreciation is calculated at rates calculated to write off the cost of each asset over its expected useful life as follows:

Motor Vehicles	25% reducing balance
Furniture & Equipment	15% reducing balance

c) Stock

Stock is valued at the lower of cost and net realisable value.

2. TURNOVER

- a) Turnover represents the invoiced value of goods sold and services provided, net of value added tax.
- b) The turnover and pre-tax profit is attributable to one activity, that of the supply of computer hardware and software together with suitable parts, accessories and peripheral equipment, and is receivable from the United Kingdom.

3. OPERATING PROFIT

	<u>1995</u>	<u>1994</u>
Operating profit is stated after charging:		
Directors remuneration	35420	36120
Auditors remuneration	1400	1200
Depreciation of tangible fixed assets	4441	5704
Staff costs (note 4)	<u>51702</u>	<u>50152</u>

CIC SOFTWARE LTD

NOTES TO FINANCIAL STATEMENTS (continued)

4. STAFF COSTS

	<u>1995</u>	<u>1994</u>
Wages and salaries	44846	43346
Other pension costs	6856	6806
	<u>51702</u>	<u>50152</u>

5. INTEREST PAYABLE

Bank loans, overdrafts and other loans	<u>9999</u>	<u>6104</u>
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6. TAX ON PROFIT ON ORDINARY ACTIVITIES

Provision of corporation tax based on profit for the year at 25%	<u>2540</u>	<u><4431></u>
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7. TANGIBLE FIXED ASSETS

	<u>Property Improvements</u>	<u>Motor Vehicles</u>	<u>Furniture Equipment</u>	<u>Total</u>
<u>Cost</u>				
At 31 December 1994	51196	41853	24396	117445
At 31 December 1995	51196	41853	24396	117445
<u>Depreciation</u>				
At 31 December 1994	-	29901	14648	44549
Charge for year	-	2988	1453	4441
At 31 December 1995	-	32889	16101	48990
<u>Net book value</u>				
At 31 December 1995	51196	18964	8295	68455
At 31 December 1994	51196	11952	9748	72896

8. STOCK

	<u>1995</u>	<u>1994</u>
Stock	123262	120977
Work in Progress	<u>7500</u>	<u>17500</u>
	<u>130762</u>	<u>138477</u>

9. DEBTORS

Trade Debtors	19302	24314
Prepayments	<u>3431</u>	<u>3374</u>
	<u>22733</u>	<u>27688</u>

10. CREDITORS - amounts falling due within one year:

Bank Overdraft	36915	56726
Trade Creditors	27481	30218
Bank Loan	5333	6000
Hire Purchase	2091	4182
Other taxes and Social Security	9377	2472
Directors Loan Accounts	16929	10429
Other Creditors	24140	25974
Accruals	<u>1400</u>	<u>1200</u>
	123666	137201
CORPORATION TAX	<u>2168</u>	<u>1111</u>
	<u>125834</u>	<u>138312</u>

11. CREDITORS - amounts falling due after one year:

Loan term loans - Bank loan	11931	16000
Loan from Company's Executive Pension Plan	33430	33430
Other Creditors	<u>9066</u>	<u>17262</u>
	<u>54427</u>	<u>66692</u>

12. SHARE CAPITAL	Number	£	Number	£
Authorised				
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>
Allotted Called up and Fully paid				
Ordinary shares of £1 each	<u>25,080</u>	<u>25,080</u>	<u>25,080</u>	<u>25,080</u>

13. CAPITAL COMMITMENTS	<u>1995</u>	<u>1994</u>
Expenditure contracted for:	nil	nil
Authorised by the Directors but not yet contracted for:	nil	nil

14. CLOSE COMPANY

CIC(Software) Ltd is a "Close Company" as defined by the Income and Corporation Taxes Act 1988.