

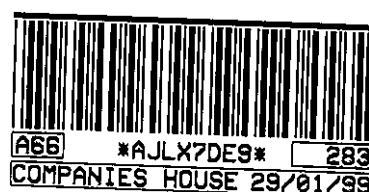
Company No. 1787440  
(England & Wales)

**CIC SOFTWARE LIMITED**

Report and Financial Statements

For The Period

1 January 1997 to 31 March 1998



## **CIC SOFTWARE LIMITED**

Annual report and financial statements for the period ended 31 March 1998

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### *Directors*

B Waddington  
J A Bonner - (Resigned 1/4/97)

### *Secretary and registered office*

R E Waddington  
26 High Street  
Merstham  
Redhill  
Surrey

### *Registered Auditors*

Elman Wall  
Chartered Accountants & Registered Auditors  
1 Bickenhall Mansions  
Bickenhall Street  
London W1H 3LF

## **CIC SOFTWARE LIMITED**

Report of the directors for the period ended 31 March 1998

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The director presents his report, together with the financial statements for the period ended 31 March 1998.

### **RESULTS**

The profit and loss account is set out on page 3 and shows the result for the period.

### **PRINCIPAL ACTIVITIES**

The principal activity of the company for the period under review was that of computer consultants providing support and technical advice, software, hardware, and component retailing.

### **TRADING REVIEW**

The company entered in to a voluntary arrangement with its bank and trade creditors on the 17 July 1997. This arrangement is outside the scope of the Insolvency Act 1986.

Under the terms of the arrangement, the trade creditors amounting to £38,520 are to be paid off in total by February 1999. The Bank overdraft and loans amounting to £37,140 and accruing interest at 3.5% above base rate will be discharged within a five year period from the balance sheet date.

### **FUTURE DEVELOPMENTS**

The director is confident the terms agreed with creditors in the voluntary arrangement will be adhered to, and the company is able to trade out of its current position.

### **BASIS OF PREPARING ACCOUNTS**

The accounts have been prepared on a going concern basis as the director is confident the company will continue to trade for the foreseeable future.

### **YEAR 2000**

The director has reviewed the operations of the company and planned the necessary steps to be year 2000 compliant. There is unlikely to be any material costs to the company.

### **DIRECTORS**

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	Ordinary shares of £1 each	
	<u>31 March 1998</u>	<u>31 Dec 1997</u>
B Waddington	25,040	25,040
J A Bonner - (Resigned 1/4/97)	-	-

## **CIC SOFTWARE LIMITED**

Report of the directors for the period ended 31 March 1998 (Continued)

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### **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 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 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.

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

By order of the board

*R E Waddington*

**R E WADDINGTON**  
Secretary

Date:

*15<sup>th</sup> January '99*

# CIC SOFTWARE LIMITED

Profit and loss account for the period ended 31 March 1998

	<u>Note</u>	1998	Year ended 31 December 1996 Restated
		£	£
Turnover	2	137,675	447,735
Cost of sales		128,498	310,960
Gross profit		9,177	136,775
Administrative expenses		125,056	198,565
Other operating income		(115,879)	(61,790)
Operating loss	4	(34,104)	(49,490)
Interest payable and similar charges	5	9,770	13,029
Loss on ordinary activities before taxation		(43,874)	(62,519)
Taxation	6	-	-
Loss on ordinary activities after taxation		(43,874)	(62,519)
Retained (loss)/profit brought forward		(45,910)	16,609
<b>LOSSES CARRIED FORWARD</b>	13	<u>(89,784)</u>	<u>(45,910)</u>

All amounts relate to continuing activities.

Apart from the prior year adjustment as disclosed in note 13, the company has no recognised gains or losses other than the losses for the above two financial periods.

There are no movements on shareholders' funds apart from the loss for the year.

The notes on pages 6 to 11 form part of these accounts

# CIC SOFTWARE LIMITED

Balance sheet at 31 March 1998

		<u>31 March 1998</u>		<u>31 December 1996</u> Restated	
	Note	£	£	£	£
<b>Fixed assets</b>					
Tangible assets	7		127,526		139,458
<b>Current assets</b>					
Stocks	8	-		107,944	
Debtors	9	25,266		21,289	
		<u>25,266</u>		<u>129,233</u>	
<b>Creditors: amounts falling due within one year</b>	10	155,052		235,441	
<b>Net current liabilities</b>			<u>(129,786)</u>		<u>(106,208)</u>
Total assets less current liabilities			(2,260)		33,250
<b>Creditors: amounts falling due after more than one year</b>	11		62,444		54,080
<b>Net liabilities</b>			<u>(64,704)</u> =====		<u>(20,830)</u> =====

The notes on pages 6 to 11 form part of these accounts

# CIC SOFTWARE LIMITED

Balance sheet at 31 March 1998 (Continued)

	<u>Note</u>	31 March <u>1998</u> £	31 December <u>1996</u> Restated £
<b>Capital and reserves</b>			
Called up share capital	12	25,080	25,080
Profit and loss account	13	(89,784)	(45,910)
		-----	-----
<b>Shareholders' funds</b>		(64,704)	(20,830)
		=====	=====

The directors have taken advantage of the exemption conferred by S.249A(1) not to have these financial statements audited and confirm that no notice has been deposited under S.249B(2) of the Companies Act 1985. The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with S.221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at 31 March 1998 and of its loss for the year then ended in accordance with the requirement of S.226 and which otherwise comply with the requirements of the Companies Act 1985 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board on:

15<sup>th</sup> January 1999



Director

B Waddington

The notes on pages 6 to 11 form part of these financial statements.

## CIC SOFTWARE LIMITED

Notes forming part of the accounts for the period ended 31 March 1998

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### 1 ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies and conventions have been applied:

#### Going Concern

The company entered into a voluntary arrangement with its bank and trade creditors on the 17 July 1997. This arrangement is outside the scope of the Insolvency Act 1986.

The financial statements have been prepared on a going concern basis as the company is trading successfully following the voluntary arrangement.

#### Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

#### Depreciation

Depreciation is provided to write off the cost, less estimated residual values, of all fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Freehold buildings	-	1% per annum
Motor vehicles	-	25% reducing balance

#### Stocks

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

#### Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.



## CIC SOFTWARE LIMITED

Notes forming part of the accounts for the period ended 31 March 1998 (Continued)

### 1 ACCOUNTING POLICIES (Continued)

#### Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

### 2 TURNOVER

Turnover is wholly attributable to the principal activity of the company.

### 3 DIRECTORS

	Period Ended 31/03/98 £	Year Ended 31/12/96 £
<b>Directors' emoluments consist of:</b>		
Fees and remuneration for management services	11,201	37,950
Amounts paid to the defined contribution pension scheme	-	2,752
	-----	-----
	11,201	40,702
	=====	=====

### 4 OPERATING LOSS

	Period Ended 31/3/98 £	Year Ended 31/12/96 £
This is arrived at after charging /(crediting):		
Depreciation	2,381	3,997
Hire of other assets - operating leases	1,851	1,631
(Profit)/loss on sale of fixed assets	51	-
Management fees received	(66,000)	-
Rent received	(15,775)	-
	=====	=====

# CIC SOFTWARE LIMITED

Notes forming part of the accounts for the period ended 31 March 1998 (continued)

## 5 INTEREST PAYABLE AND SIMILAR CHARGES

	Period Ended 31/3/98 £	Year Ended 31/12/96 Restated £
Bank loan	9,770 =====	13,029 =====

## 6 TAXATION

Corporation tax is not provided as the company has incurred losses.

## 7 TANGIBLE FIXED ASSETS

	Freehold buildings £	Motor Vehicles £	Fixtures, fittings and equipment £	Total £
<b>Cost</b>				
At 1 January 1997 (Restated)	126,196	41,853	24,396	192,445
Disposals	-	(7,500)	(24,396)	(31,896)
At 31 March 1998	126,196	34,353	-	160,549
<b>Depreciation</b>				
At 1 January 1997	512	35,130	17,345	52,987
Provided for the period	640	1,741	-	2,381
Disposals	-	(5,000)	(17,345)	(22,345)
At 31 March 1998	1,152	31,871	-	33,023
<b>Net book value</b>				
At 31 March 1998	125,044 =====	2,482 =====	- =====	127,526 =====
At 31 December 1996 (Restated)	125,684 =====	6,723 =====	7,051 =====	139,458 =====

## 8 STOCKS

	At 31/3/98 £	At 31/12/96 £
Finished goods and components for resale	-	98,544
Work in progress	-	9,400
	- =====	107,944 =====

**CIC SOFTWARE LIMITED**

Notes forming part of the accounts for the period ended 31 March 1998 (continued)

**9 DEBTORS**

	At 31/3/98 £	At 31/12/96 £
Trade debtors	25,266	18,182
Prepayments	-	3,107
	-----	-----
	25,266	21,289
	=====	=====

All amounts under debtors fall due for payment within one year.

**10 CREDITORS: Amounts falling due within one year**

	At 31/3/98 £	At 31/12/96 Restated* £
Bank loan and overdrafts	8,482	53,400
Trade creditors	38,520	29,797
Other creditors	4,382	33,195
Taxation and social security	9,211	10,452
Directors loan accounts	91,967	*107,022
Accruals	2,490	1,575
	-----	-----
	155,052	235,441
	=====	=====

**11 CREDITORS: Amounts falling due after more than one year**

	At 31/3/98 £	At 31/12/96 £
Bank loan	28,658	8,881
Loan from company executive pension plan	33,786	33,430
Other creditors	-	11,769
	-----	-----
	62,444	54,080
	=====	=====

The bank loan is secured on the company's Freehold property and is wholly repayable within five years in monthly instalments.

## CIC SOFTWARE LIMITED

Notes forming part of the accounts for the period ended 31 March 1998 (continued)

### 12 SHARE CAPITAL

	Authorised		Allotted, called up and fully paid	
	31/3/98	31/12/96	31/3/98	31/12/96
	£	£	£	£
Ordinary shares of £1 each	50,000	50,000	25,080	25,080
	=====	=====	=====	=====

### 13 PROFIT AND LOSS ACCOUNT

	Period ended 31/3/98 £	Year Ended 31/12/96 £
Retained (losses)/profit as originally stated	(61,638)	16,609
Prior year adjustment	15,728	-----
Retained losses as stated	(45,910)	16,609
Loss for the year	(43,874)	(62,519)
Losses carried forward at 31 March 1998	(89,784)	(45,910)
	=====	=====

The prior year adjustment in the sum of £15,728 relates to incorrect accounting for rental charges, rental income, loan interest and for the acquisition of the freehold property.

### 14 PENSIONS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in and independently administered fund. The pension cost charge represents contributions payable by the company to the fund.

### 15 CASH FLOW STATEMENT

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statements", not to prepare a cash flow statement as the directors believe the company is a 'small entity' as defined under section 247 of the Companies Act 1985.

### 16 CLOSE COMPANY

CIC Software Limited is a "close company" as defined by the Income and Corporation Taxes Act 1988.

## **CIC SOFTWARE LIMITED**

Notes forming part of the accounts for the period ended 31 March 1998 (continued)

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### **17 RELATED PARTY TRANSACTIONS**

During the period, the company entered into the following arrangements with Computer Integration Company Limited, a company in which B Waddington also serves as a director.

Sales and charges to Computer Integration Company Limited

	£
Stock	30,000
Fixed assets	9,500
Rent charged	6,750
Management services charged	66,000
	-----

The Computer Integration Company Limited owed £25,266 at 31 March 1998.

### **18 COMPARATIVES**

The comparatives shown are for the year ended 31 December 1996.