

ELAN COMPUTING LIMITED

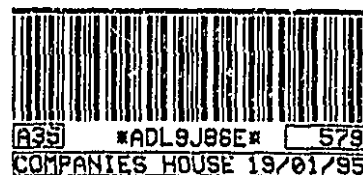
Company No: 2114287

FINANCIAL STATEMENTS

- for the year ended -

31ST AUGUST 1994

MORISON STONEHAM  
Chartered Accountants  
Prudential Buildings  
Epsom Road Guildford Surrey GU1 3JW



230195

ELAN COMPUTING LIMITED

DIRECTORS

S Anthony  
P Anthony  
A Derx  
J Haydock

SECRETARY

A Derx

BUSINESS ADDRESS

93 Newman Street  
London W1P 3LE

REGISTERED OFFICE

Prudential Buildings  
Epsom Road  
Guildford Surrey GU1 3JW

AUDITORS

Morison Stoneham  
Chartered Accountants  
Prudential Buildings  
Epsom Road  
Guildford Surrey GU1 3JW

ELAN COMPUTING LIMITED

INDEX TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994

Page

- |   |                                      |
|---|--------------------------------------|
| 1 | Report of the directors              |
| 3 | Auditors' report                     |
| 4 | Consolidated profit and loss account |
| 5 | Consolidated balance sheet           |
| 6 | Balance sheet                        |
| 7 | Consolidated cash flow statement     |
| 8 | Notes to the financial statements    |

## ELAN COMPUTING LIMITED

### REPORT OF THE DIRECTORS

The directors present their annual report, together with the audited financial statements of the company and consolidated financial statements of the group for the year ended 31st August 1994.

#### PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company and the group in the year under review was that of employment agents for the computer industry.

#### DIVIDEND AND TRANSFER TO RESERVES

The directors do not recommend payment of a dividend.

It is proposed that the retained profit of £306,536 is transferred to reserves.

#### FIXED ASSETS

Full disclosure of all matters relating to fixed assets is set out in the notes to the financial statements.

#### DIRECTORS AND THEIR INTERESTS

The directors at the balance sheet date and their interests in the company at that date and at the beginning of the year, were as follows:

	<u>Class of share</u>	<u>Number of shares</u>	
		<u>1994</u>	<u>1993</u>
S Anthony	Ordinary shares	18,631	18,631
P Anthony	Ordinary shares	16,828	16,828
A Derx	Ordinary shares	18,631	18,631
J Haydock	Ordinary shares	6,010	6,010

#### 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 the 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.

ELAN COMPUTING LIMITED

REPORT OF THE DIRECTORS (Continued)

AUDITORS

The auditors, Morison Stoneham, are willing to be reappointed in accordance with section 385 of the Companies Act 1985.

Date:

By Order of the Board

x *arobus* x  
Secretary

ELAN COMPUTING LIMITED

AUDITORS' REPORT TO THE SHAREHOLDERS OF ELAN COMPUTING LIMITED

We have audited the financial statements on pages 4 to 16 which have been prepared under the historical cost convention and the accounting policies set out in note 1 to the financial statements.

Respective responsibilities of the directors and auditors

As described on the Directors' Report 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.

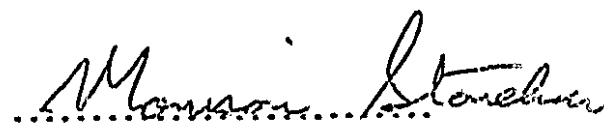
Basis of opinion

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 affairs of the company and of the group as at 30 August 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Registered Auditors  
Chartered Accountants

Prudential Buildings  
Epsom Road  
Guildford Surrey GU1 3JW

Date: 10.1.95

ELAN COMPUTING LIMITED

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST AUGUST 1994

	Notes	1994 £	1993 £
TURNOVER	2	23,240,823	15,348,876
Change in work in progress		928,990	250,371
		<u>24,169,813</u>	<u>15,599,247</u>
Staff costs		(2,502,005)	(1,556,163)
Depreciation		(144,388)	(122,767)
Other operating charges		(20,952,285)	(13,407,986)
OPERATING PROFIT	3	<u>571,135</u>	<u>512,331</u>
Income from investments	4	3,110	4,343
Interest payable	5	(30,132)	(16,760)
Exchange profits/(losses)		453	71
		<u>544,566</u>	<u>499,985</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			
Tax on profit on ordinary activities	8	(207,214)	(181,041)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>337,352</u>	<u>318,944</u>
Minority interests		(30,816)	(10,384)
RETAINED PROFIT FOR THE YEAR		<u>306,536</u>	<u>308,560</u>
Dividends	9	-	(20,000)
RETAINED PROFIT FOR THE YEAR		<u><u>306,536</u></u>	<u><u>288,560</u></u>

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

The company has no recognised gains or losses other than those dealt with in the profit and loss account.

The notes on pages 8 to 16 form part of these financial statements.

# 230193

ELAN COMPUTING LIMITED

CONSOLIDATED BALANCE SHEET AT 31ST AUGUST 1994

	Notes	£	1994 £	£	1993 £
<b>FIXED ASSETS</b>					
Tangible assets	10		308,929		242,506
<b>CURRENT ASSETS</b>					
Stocks	12	2,006,984		1,077,994	
Debtors	13	1,411,718		1,112,672	
Cash at bank and in hand		189,652		113,808	
		<u>3,608,354</u>		<u>2,304,474</u>	
CREDITORS: Amounts falling due within one year	14	(2,408,700)		(1,340,741)	
<b>NET CURRENT ASSETS</b>			<u>1,199,654</u>		<u>963,733</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			1,508,583		1,206,239
CREDITORS: Amounts falling due after more than one year	15		(135,000)		(135,000)
			<u>1,373,583</u>		<u>1,071,239</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	16		60,100		60,100
Minority interest			12,419		16,611
Profit and loss account			1,301,064		994,528
			<u>1,373,583</u>		<u>1,071,239</u>

The financial statements were approved by the board on 19.11.95 and signed on its behalf by

x.....*S. Anthony*.....x Director

The notes on pages 8 to 16 form part of these financial statements.



ELAN COMPUTING LIMITED

BALANCE SHEET AT 31ST AUGUST 1994

	Notes	£	1994 £	£	1993 £
<b>FIXED ASSETS</b>					
Tangible assets	10		223,023		166,700
Investments			85,786		-
			<u>308,809</u>		<u>166,700</u>
<b>CURRENT ASSETS</b>					
Stocks	12	1,898,515		964,813	
Debtors	13	1,528,753		1,252,169	
Cash at bank and in hand		156,925		23,492	
		<u>3,584,193</u>		<u>2,240,474</u>	
CREDITORS: Amounts falling due within one year	14	(2,269,058)		(1,255,676)	
NET CURRENT ASSETS			<u>1,315,135</u>		<u>984,798</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,623,944		1,151,498
CREDITORS: Amounts falling due after more than one year	15		(135,000)		(135,000)
			<u>1,488,944</u>		<u>1,016,498</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital			60,100		60,100
Profit and loss account			1,428,844		956,398
			<u>1,488,944</u>		<u>1,016,498</u>

The financial statements were approved  
by the board on <.....19/1/95.....> and  
signed on its behalf by

x.....*S. Anthony*.....x Director

# 230193

ELAN COMPUTING LIMITED

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST AUGUST 1994

	Notes	1994 £	1993 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	19	665,991	449,304
Return on investments and servicing of finance:			
Interest received	3,110		3,444
Interest paid	(30,132)		(16,760)
Dividends paid	-		(20,000)
Dividends received	-		899
Exchange profits	453		71
NET CASH INFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE		(26,569)	(32,346)
Corporation tax paid		(207,214)	(181,041)
Investing activities:			
Purchase of tangible fixed assets	(221,815)		(211,901)
Receipts from sale of tangible assets	9,380		36,841
NET CASHFLOW FROM INVESTING ACTIVITIES		(212,435)	(175,060)
NET CASH INFLOW BEFORE FINANCING		219,773	60,857
Financing:			
Receipts from other long term loans		-	(28,000)
Goodwill written off on purchase of subsidiary company		35,008	-
INCREASE IN CASH AND CASH EQUIVALENTS	20	184,765	88,857
		219,773	60,857

The notes on pages 8 to 16 form part of these financial statements.

## ELAN COMPUTING LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994

#### 1. ACCOUNTING POLICIES

##### 1.1 BASIS OF ACCOUNTING

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

##### 1.2 TURNOVER

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year.

##### 1.3 DEPRECIATION

Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated residual value, of the tangible assets over their estimated useful lives:-

Plant and machinery	33% per annum on cost
Fixtures and fittings	10% per annum on cost
Motor vehicles	25% per annum on cost

##### 1.4 WORK IN PROGRESS

Work in progress represents time costs not yet charged to customers.

##### 1.5 DEFERRED TAXATION

Deferred taxation is provided where there is a reasonable probability of the amount becoming payable in the foreseeable future.

##### 1.6 FOREIGN EXCHANGE

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the profit and loss account.

##### 1.7 PENSIONS

Pension contributions are charged to the profit and loss account so as to spread the cost of the pensions over the employees' working lives with the company. These contributions are invested separately from the company's assets.

# 230193

ELAN COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994

2. **TURNOVER**

	1994 £	1993 £
<u>An analysis of turnover by geographical market is given below:</u>		
United Kingdom	21,475,888	14,150,704
European Economic Community	1,749,981	1,178,202
USA	14,954	19,970
	<u>23,240,823</u>	<u>15,348,876</u>

3. **OPERATING PROFIT**

	1994 £	1993 £
The operating profit is stated after charging:-		
Depreciation	144,388	122,767
Auditors' remuneration:-		
Audit services	18,417	12,850
Non-audit services	23,016	10,994
Hire of equipment	1,709	2,613
Operating lease rentals:-		
Land and buildings	132,720	172,103
	<u>132,720</u>	<u>172,103</u>

4. **INCOME FROM INVESTMENTS**

	1994 £	1993 £
Bank and other interest receivable	3,110	3,444
Income from group undertaking	-	899
	<u>3,110</u>	<u>4,343</u>

5. **INTEREST PAYABLE**

	1994 £	1993 £
On bank loans and overdrafts and on loans repayable in full within five years	30,132	16,760
	<u>30,132</u>	<u>16,760</u>

# ELAN COMPUTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994

6. DIRECTORS AND EMPLOYEES	1994 £	1993 £
Staff costs:-		
Wages and salaries	2,265,454	1,393,595
Social security costs	205,899	129,247
Other pension costs	30,652	33,321
	<u>2,502,005</u>	<u>1,556,163</u>

The average weekly number of employees during the year was made up as follows:

	Number	Number
Office and management	8	8
Sales	72	46
	<u>80</u>	<u>54</u>

Directors' emoluments:-

Remuneration for management services	414,690	274,912
Commission	247,511	182,784
Pensions to directors and former directors	..	19,469
	<u>662,201</u>	<u>477,165</u>

The division of directors' emoluments, excluding pension contributions, is as follows:-

Chairman	209,707	124,028
Highest paid director	209,707	156,866

Other directors' remuneration fell within the following ranges:

	Number	Number
£65,001 - £70,000	-	1
£75,001 - £80,000	1	-
£115,001 - £120,000	-	1
£120,001 - £125,000	1	-
£195,001 - £200,000	1	-

## 7. PENSION COSTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable by the company amounted to £30,652 (1993: £33,321). All contributions were paid in the year.

ELAN COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1994 £	1993 £
The taxation charge based on the profit before tax comprises:-		
U.K. corporation tax at 33% (1993 - 32%)	207,214	177,353
	<u>207,214</u>	<u>177,353</u>
Section 419 TA 1988 penalty	-	2,521
Adjustment in respect of prior years	-	1,167
	<u>207,214</u>	<u>181,041</u>

9. DIVIDENDS

	1994 £	1993 £
Ordinary:-		
Interim dividend	-	20,000
	<u>-</u>	<u>20,000</u>

10. TANGIBLE ASSETS - GROUP

	Computer equipment £	Fixtures & fittings £	Motor vehicles £	Total £
<u>Cost</u>				
At 1 September 1993	260,392	87,165	168,889	516,446
Additions	115,610	19,451	86,754	221,815
Disposals	-	-	(28,217)	(28,217)
At 30 August 1994	<u>376,002</u>	<u>106,616</u>	<u>227,426</u>	<u>710,044</u>
<u>Depreciation</u>				
At 1 September 1993	177,479	33,564	62,897	273,940
Charge for year	88,123	11,598	42,632	142,353
On disposals	-	-	(15,178)	(15,178)
At 30 August 1994	<u>265,602</u>	<u>45,162</u>	<u>90,351</u>	<u>401,115</u>
<u>Net book value at 30 August 1994</u>	<u>110,400</u>	<u>61,454</u>	<u>137,075</u>	<u>308,929</u>
<u>Net book value at 30 August 1993</u>	<u>82,913</u>	<u>53,601</u>	<u>105,992</u>	<u>242,506</u>

ELAN COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994

10. TANGIBLE FIXED ASSETS (CONTINUED)

COMPANY

	Computer equipment £	Fixtures & fittings £	Motor vehicles £	Total £
<u>Cost</u>				
At 1st September 1993	239,688	42,916	100,115	382,719
Additions	107,116	15,216	52,980	175,312
Disposals			(13,733)	(13,733)
At 31st August 1994	<u>346,804</u>	<u>58,132</u>	<u>139,362</u>	<u>544,298</u>
<u>Depreciation</u>				
At 1st September 1993	163,933	14,190	37,896	216,019
Charge for year	79,551	5,813	27,194	112,558
On disposals	-	-	(7,302)	(7,302)
At 31st August 1994	<u>243,484</u>	<u>20,003</u>	<u>57,788</u>	<u>321,275</u>
<u>Net book value at 31st August 1994</u>	<u>103,320</u>	<u>38,129</u>	<u>81,574</u>	<u>223,023</u>
<u>Net book value at 31st August 1993</u>	<u>75,755</u>	<u>28,726</u>	<u>62,219</u>	<u>166,700</u>

11. INVESTMENTS

The company has investments in the following companies:

Name	Holding (£1 Ordinary)	1994	1993
Elan Computing (Scotland) Limited	150	53,155	53,155
Elan Computing (Northern) Limited	25,000	3,969	3,969
House of Catalyst Limited	5,000	85,786	-
Bell Software Services Limited	10,000	1,588	1,588
		<u>144,498</u>	<u>58,712</u>
Less provision for losses		<u>(58,712)</u>	<u>(58,712)</u>
		<u>£ 85,786</u>	<u>£ -</u>

# 250193

ELAN COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994

The following were the operating subsidiaries at the balance sheet date:

Subsidiary undertakings	Description and proportion of share capital owned	Country of incorporation or registration	Nature of business
Elan Computing (Scotland) Limited	Ordinary 75%	England	Employment agents
Elan Computing (Northern) Limited	Ordinary 100%	England	Employment agents
House of Catalyst Limited	Ordinary 100%	England	Employment agents
Bell Software Services Limited	Ordinary 100%	England	Dormant

Financial information summary - subsidiary undertakings:

	Aggregate capital and reserves at last accounting date £	Results for the last financial period £
Elan Computing (Scotland) Limited	212,268	123,262
Elan Computing (Northern) Limited	(338,069)	(280,580)
House of Catalyst Limited	72,999	27,174
Bell Software Services Limited	(Dormant)	(Dormant)
	<u>(52,802)</u>	<u>(130,144)</u>



# ELAN COMPUTING LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994

### 12. STOCKS

	GROUP		COMPANY	
	1994	1993	1994	1993
	£	£	£	£
Work in progress	2,006,984	1,077,994	1,898,515	964,813

### 13. DEBTORS

	GROUP		COMPANY	
	1994	1993	1994	1993
	£	£	£	£
Trade debtors	1,088,890	947,724	917,033	915,731
undertakings			539,815	188,491
Other debtors	61,250	5,155	-	3,300
Advance corporation tax	-	356	-	-
Prepayments and accrued income	261,578	159,437	71,905	144,647
	1,411,718	1,112,672	1,528,753	1,252,169

### 14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	GROUP		COMPANY	
	1994	1993	1994	1993
	£	£	£	£
Bank loans and overdrafts	27,354	136,275	27,354	136,275
Trade creditors	1,100,818	611,072	1,092,490	602,497
Proposed dividend	-	5,000	-	-
Amounts owed to group				
undertakings	-	-	197,456	27,043
Corporation tax	212,341	171,547	133,136	124,070
Other taxes and social				
security costs	360,299	211,943	341,092	194,886
Related advance corporation tax	2,498	2,498	-	-
Directors' current accounts	181,394	1,394	181,394	1,394
Other creditors	42,208	42,206	33,405	51,629
Accruals and deferred income	481,788	158,806	257,731	117,882
	2,408,701	1,340,741	2,269,053	1,255,676

The bank overdraft is secured by a fixed and floating charge over the company's assets dated 24th April 1987.

ELAN COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994

15. CREDITORS: AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR

	GROUP		COMPANY	
	1994	1993	1994	1993
	£	£	£	£
Loans	135,000	135,000	135,000	135,000
	<u>135,000</u>	<u>135,000</u>	<u>135,000</u>	<u>135,000</u>

16. SHARE CAPITAL

	1994	1993
	£	£
<u>Authorised</u>		
60,100 Ordinary shares of £1 each	<u>60,100</u>	<u>60,100</u>
<u>Allotted, called up and fully paid</u>		
60,100 Ordinary shares of £1 each	<u>60,100</u>	<u>60,100</u>

17. PROFIT AND LOSS ACCOUNT

	1994	1993
	£	£
Retained profits at 1 September 1993	994,528	705,968
Profit for the financial year	<u>306,536</u>	<u>288,560</u>
Retained profits at 30 August 1994	<u>1,301,064</u>	<u>994,528</u>

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1994	1993
	£	£
Profit for the financial year	306,536	308,560
Dividends	-	(20,000)
	<u>306,536</u>	<u>288,560</u>
Other recognised gains and losses		
Goodwill written off	<u>(35,008)</u>	<u>-</u>
Net addition to shareholders' funds	271,528	288,560
Shareholders' funds at 1 September 1993	1,071,239	772,295
Minority interests	<u>30,816</u>	<u>10,384</u>
Shareholders' funds at 30 August 1994	<u>1,373,583</u>	<u>1,071,239</u>

ELAN COMPUTING LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 1994

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	1994 £	1993 £
Operating profit	(571,132)	(512,331)
Depreciation	(142,354)	(122,767)
Loss on disposal of fixed assets	(3,659)	2,447
Increase in stocks	928,990	250,371
Increase in debtors	299,046	78,449
Increase in creditors due within one year	(1,176,882)	(145,473)
	<u>(665,991)</u>	<u>(449,304)</u>

20. ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS

	1994 £	1993 £
Cash at bank and in hand at 1 September 1993	113,808	50,151
Cash at bank and in hand at 30 August 1994	<u>189,652</u>	<u>113,808</u>
Net movement	<u>75,844</u>	<u>63,657</u>
Bank overdraft at 1 September 1993	(136,275)	(161,475)
Bank overdraft at 30 August 1994	<u>(27,354)</u>	<u>(136,275)</u>
Net movement	<u>108,921</u>	<u>25,200</u>
Total net movements	<u>184,765</u>	<u>88,857</u>