

(Regd Co's)

CODESURGE LIMITED
FINANCIAL STATEMENTS

31 MARCH 1994

Registered number: 2202038

MALCOLM CLARK & CO
CHARTERED ACCOUNTANTS



CODESURGE LIMITED

FINANCIAL STATEMENTS

for the year ended 31 March 1994

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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CODESURGE LIMITED

COMPANY INFORMATION

31 March 1994

Incorporated in England on 3 December 1987

Number 2202038

DIRECTORS

J E Hempsey
M B A Van Geffen
P A Hempsey
J S Van Geffen
J B Van Geffen
G B Van Geffen

SECRETARY

J.E. Hempsey

REGISTERED OFFICE

114 Guisborough Road
Nunthorpe
Cleveland
TS7 0JA

BANKERS

Yorkshire Bank Plc
7 Linthorpe Road
Middlesbrough
Cleveland
TS1 1RF

AUDITORS

Malcolm Clark & Co
Chartered Accountants
39 Grange Road
Darlington
Co Durham

CODESURGE LIMITED

DIRECTORS' REPORT

31 March 1994

The directors present their report and the audited financial statements for the year ended 31 March 1994.

Principal activity

The principal activity of the company was that of operating a Residential Home.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 March 1994 Ordinary shares	1 April 1993 Ordinary shares
J E Hempsey	25	25
M B A Van Geffen	17	17
P A Hempsey	25	25
J S Van Geffen	17	17
J B Van Geffen	8	8
G B Van Geffen	8	8

Auditors

Malcolm Clark & Co have agreed to offer themselves for re-appointment as auditors of the company.

Small company exemptions

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies.

On behalf of the board



J.E. Hempsey
Secretary

114 Guisborough Road
Nunthorpe
Cleveland
TS7 0JA

28 June 1995

CODESURGE LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law 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 we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

28 June 1995

By order of the board

M B A Van Geffen
Director



CODESURGE LIMITED**AUDITORS' REPORT****Auditors' report to the members of****Codesurge Limited**

We have audited the financial statements on pages 5 to 11 which have been prepared under the accounting policies set out on page 7.

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

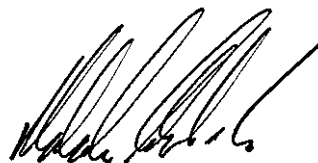
Basis of opinion

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 error or other irregularity. 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Malcolm Clark & Co
Registered Auditors
Chartered Accountants

Darlington
28 June 1995

CODESURGE LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1994

	Note	1994 £	1993 £
Turnover		413,081	382,328
Cost of sales		(164,464)	(145,846)
Gross profit		248,617	236,482
Net operating expenses			
Administrative expenses		(94,281)	(113,562)
Operating profit	2	154,336	122,920
Interest payable	4	(34,963)	(55,152)
Profit on ordinary activities before taxation		119,373	67,768
Taxation	5	(31,884)	(14,343)
Retained profit for the year	15	87,489	53,425

Movements in reserves are shown in note 15.

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

There are no recognised gains and losses in 1994 or 1993 other than the profit for the year.

The notes on pages 7 to 11 form part of these financial statements.

CODESURGE LIMITED

BALANCE SHEET

at 31 March 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Tangible assets	6		686,633		700,929
Current assets					
Stocks	7	525		525	
Debtors	8	9,459		3,918	
Cash at bank and in hand		19,857		-	
		29,841		4,443	
Creditors: amounts falling due within one year	9	(163,981)		(114,501)	
Net current liabilities			(134,140)		(110,058)
Total assets less current liabilities			552,493		590,871
Creditors: amounts falling due after more than one year					
	10		(415,417)		(551,568)
Provision for liabilities and charges	11		(24,627)		(14,343)
			112,449		24,960
Capital and reserves					
Called up share capital	14		100		100
Profit and loss account	15		112,349		24,860
			112,449		24,960

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 5 to 11 were approved by the board of directors on 28 June 1995

M B A Van Geffen

Director

The notes on pages 7 to 11 form part of these financial statements.

CODESURGE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1994

1 Accounting policies**Basis of accounting**

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold land	Nil
Freehold buildings	2% straight line
Office Equipment	15% reducing balance
Fixtures and fittings	10% reducing balance

Stocks

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

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Operating profit

	1994 £	1993 £
Operating profit is stated after charging		
Auditors' remuneration	1,150	1,050
Loss on sale of assets	1,760	-
	<hr/>	<hr/>
Depreciation of tangible fixed assets (note 6)		
owned assets	17,816	23,378
	<hr/>	<hr/>

3 Directors

	1994 £	1993 £
Directors' emoluments	20,192	14,911
	<hr/>	<hr/>

CODESURGE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1994

4 Interest payable

	1994 £	1993 £
Interest payable	34,963	55,152

5 Taxation

	1994 £	1993 £
Corporation tax on profit on ordinary activities at 25% (1993 25%)	21,600	-
Deferred taxation	10,284	14,343
	31,884	14,343

6 Tangible fixed assets

Cost	Land and Buildings £	Plant and Machinery etc £	Total £
1 April 1993	676,780	86,076	762,856
Additions	-	5,280	5,280
Disposals	-	(2,683)	(2,683)
31 March 1994	676,780	88,673	765,453
Depreciation			
1 April 1993	21,011	40,916	61,927
Charge for year	13,115	4,701	17,816
Disposals	-	(923)	(923)
31 March 1994	34,126	44,694	78,820
Net book amount			
31 March 1994	642,654	43,979	686,633
1 April 1993	655,769	45,160	700,929

7 Stocks

	1994 £	1993 £
Stocks	525	525

CODESURGE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1994

8 Debtors

	1994	1993
	£	£
Amounts falling due within one year		
Trade debtors	5,765	-
Other debtors	3,694	3,918
	<u>9,459</u>	<u>3,918</u>

9 Creditors: amounts falling due within one year

	1994	1993
	£	£
Bank loans	74,346	64,051
Bank overdraft	-	4,290
Trade creditors	51,054	40,930
Other creditors	38,581	5,230
	<u>163,981</u>	<u>114,501</u>

The bank loan is secured by a fixed charge over the freehold property of the company.

Other creditors includes £5,606 (1993 - £Nil) relating to social security and other taxes.

10 Creditors: amounts falling due after more than one year

	1994	1993
	£	£
Bank loans	344,757	425,568
Other creditors	70,660	126,000
	<u>415,417</u>	<u>551,568</u>

Creditors other than finance lease and hire purchase contracts

Creditors with instalments due for payment after more than five years	<u>344,757</u>	<u>425,568</u>
Instalments due after more than five years	<u>49,013</u>	<u>247,744</u>

The bank loan is secured by a fixed charge over the freehold property of the company.

CODESURGE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1994

11 Provision for liabilities and charges

	1993 £	Profit and loss account £	Other movements £	1994 £
Deferred taxation (notes 5 and 12)	(14,343)	(10,284)	-	(24,627)

12 Deferred taxation

	1994		1993	
	Potential liability £	Provision made £	Potential liability £	Provision made £
Corporation tax deferred by				
Capital allowances in excess	24,627	24,627	22,187	22,187
Unrelieved taxation losses	-	-	(7,844)	(7,844)
	<u>24,627</u>	<u>24,627</u>	<u>14,343</u>	<u>14,343</u>

The potential liability and provision are based on a corporation tax rate of 25% (1993 25%).

13 Reconciliation of movements in shareholders' funds

	1994 £	1993 £
Profit for the financial year representing a Net addition to shareholders' funds	87,489	53,425
Opening shareholders' funds	<u>24,960</u>	<u>(28,464)</u>
Closing shareholders' funds	<u>112,449</u>	<u>24,961</u>

CODESURGE LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1994

14 Called up share capital

	1994		1993	
	Number of shares	£	Number of shares	£
Authorised				
Equity shares				
Ordinary shares of £1 each	100	100	100	100
Allotted called up and fully paid				
Equity shares				
Ordinary shares of £1 each	100	100	100	100

15 Profit and loss account

	1994 £
1 April 1993	24,860
Retained profit for the year	87,489
31 March 1994	112,349

16 Directors' interests and loans

Through their involvement in the the White House Residential Home Messrs M B A Van Geffen and J B Van Geffen provide management services to the company. In the year to 31 March 1994 such services totalled £4,902 (1993 £2,351).