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Company Registration No. 2595903 (England and Wales)

**S M M SOFTWARE LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 1997**



# S M M SOFTWARE LIMITED

## COMPANY INFORMATION

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Directors	M E Mitchell K G Whelan
Secretary	M E Mitchell
Company number	2595903
Registered office	3 Park Street Windsor Berkshire SL4 1LU
Accountants	Foreman & Hill 3 Park Street Windsor Berkshire SL4 1LU
Business address	42A High Street Egham Surrey TW20 9DP

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# S M M SOFTWARE LIMITED

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# S M M SOFTWARE LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1997

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The directors present their report and financial statements for the year ended 31 December 1997.

### Principal activities

The principal activity of the company continued to be that of computer print management software specialists.

### Directors

The following directors have held office since 1 January 1997:

M E Mitchell  
K G Whelan

### Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary shares of £1 each	
	31 December 1997	1 January 1997
M E Mitchell	216,040	216,040
K G Whelan	34,848	34,848

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board



M E Mitchell

Director

21/5/98

# S M M SOFTWARE LIMITED

## ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF S M M SOFTWARE LIMITED

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We report on the accounts for the year ended 31 December 1997 set out on pages 3 to 8.

### Respective responsibilities of directors and reporting accountants

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

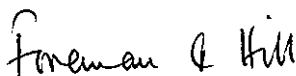
### Basis of opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report. These procedures provide only the assurance expressed in our opinion.

### Opinion

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
  - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).



Foreman & Hill

1 June 1998

Chartered Accountants  
Reporting Accountants

3 Park Street  
Windsor  
Berkshire  
SL4 1LU

# S M M SOFTWARE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1997

	Notes	1997 £	1996 £
Turnover		282,871	284,025
Cost of sales		(16,745)	(26,700)
<b>Gross profit</b>		<u>266,126</u>	<u>257,325</u>
Administrative expenses		(255,677)	(251,383)
<b>Operating profit</b>	<b>2</b>	<u>10,449</u>	<u>5,942</u>
Other interest receivable and similar income	<b>3</b>	165	7
Interest payable and similar charges		(209)	(744)
<b>Profit on ordinary activities before taxation</b>		<u>10,405</u>	<u>5,205</u>
Tax on profit on ordinary activities	<b>4</b>	-	-
<b>Profit on ordinary activities after taxation</b>	<b>11</b>	<u><u>10,405</u></u>	<u><u>5,205</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# S M M SOFTWARE LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1997

	Notes	1997 £	1996 £
Turnover		282,871	284,025
Cost of sales		(16,745)	(26,700)
<b>Gross profit</b>		266,126	257,325
Administrative expenses		(255,676)	(251,383)
<b>Operating profit</b>	<b>2</b>	10,450	5,942
Other interest receivable and similar income	<b>3</b>	165	7
Interest payable and similar charges		(209)	(744)
<b>Profit on ordinary activities before taxation</b>		10,406	5,205
Tax on profit on ordinary activities	<b>4</b>	-	-
<b>Profit on ordinary activities after taxation</b>	<b>11</b>	10,406	5,205

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# S M M SOFTWARE LIMITED

## BALANCE SHEET AS AT 31 DECEMBER 1997

	Notes	1997 £	£	1996 £	£
<b>Fixed assets</b>					
Intangible assets	5		1		1
Tangible assets	6		11,335		9,487
			<u>11,336</u>		<u>9,488</u>
<b>Current assets</b>					
Debtors	7	71,591		69,622	
Cash at bank and in hand		246		349	
		<u>71,837</u>		<u>69,971</u>	
<b>Creditors: amounts falling due within one year</b>	8	<u>(85,802)</u>		<u>(92,496)</u>	
<b>Net current liabilities</b>			<u>(13,965)</u>		<u>(22,525)</u>
<b>Total assets less current liabilities</b>			<u>(2,629)</u>		<u>(13,037)</u>
<b>Capital and reserves</b>					
Called up share capital	10		278,787		278,787
Profit and loss account	11		(281,416)		(291,824)
<b>Shareholders' funds - equity interests</b>	12		<u>(2,629)</u>		<u>(13,037)</u>

In preparing these financial statements:

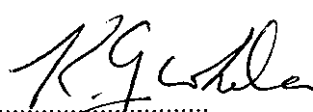
- The directors are of the opinion that the company is entitled to the exemption from audit conferred by Section 249A(2) of the Companies Act 1985;
- No notice has been deposited under Section 249B(2) of the Companies Act 1985, and
- The directors acknowledge their responsibilities for:
  - ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
  - preparing accounts 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 its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 27/5/98



M E Mitchell  
Director



K G Whelan  
Director



# S M M SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

#### 1.2 Compliance with accounting standards

The accounts have been prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Goodwill

Acquired goodwill is written off in equal annual instalments over its estimated useful economic life.

#### 1.5 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same way unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period during which the company is expected to benefit.

#### 1.6 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Computer Equipment	25% Reducing balance
Fixtures, fittings & equipment	25% Reducing balance

#### 1.7 Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.8 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24.

#### 1.9 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

# S M M SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997

2	Operating profit	1997 £	1996 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	3,780	3,163
	Operating lease rentals	4,952	8,168
	Auditors' remuneration	2,599	2,757
	Directors' emoluments	109,143	100,590

3	Other interest receivable and similar income	1997 £	1996 £
	Bank interest	165	7

### 4 Taxation

The accumulated tax losses brought forward mean that there is no charge to Corporation tax in 1997.

### 5 Intangible fixed assets

	Goodwill £	Other intangible assets £	Total £
<b>Cost</b>			
At 1 January 1997 & at 31 December 1997	1	327,079	327,080
<b>Amortisation</b>			
At 1 January 1997 & at 31 December 1997	-	327,079	327,079
<b>Net book value</b>			
At 31 December 1997	1	-	1
At 31 December 1996	1	-	1

# S M M SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997

### 6 Tangible fixed assets

	Computer Equipment	Fixtures, fittings & equipment	Total
	£	£	£
<b>Cost</b>			
At 1 January 1997	17,083	1,329	18,412
Additions	4,467	1,161	5,628
	<hr/>	<hr/>	<hr/>
At 31 December 1997	21,550	2,490	24,040
	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>			
At 1 January 1997	8,196	729	8,925
Charge for the year	3,339	441	3,780
	<hr/>	<hr/>	<hr/>
At 31 December 1997	11,535	1,170	12,705
	<hr/>	<hr/>	<hr/>
<b>Net book value</b>			
At 31 December 1997	10,015	1,320	11,335
	<hr/>	<hr/>	<hr/>
At 31 December 1996	6,039	3,448	9,487
	<hr/>	<hr/>	<hr/>

### 7 Debtors

	1997 £	1996 £
Trade debtors	65,558	65,299
Other debtors	6,033	4,323
	<hr/>	<hr/>
	71,591	69,622
	<hr/>	<hr/>

### 8 Creditors: amounts falling due within one year

	1997 £	1996 £
Bank loans and overdrafts	1,443	7,826
Trade creditors	13,740	13,697
Taxation and social security	10,669	15,388
Other creditors	59,950	55,585
	<hr/>	<hr/>
	85,802	92,496
	<hr/>	<hr/>

# S M M SOFTWARE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997

### 9 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. The pension cost charge represents contributions payable by the company to the fund and amounted to £360 (1996 - £300).

10 Share capital	1997 £	1996 £
<b>Authorised</b>		
278,787 Ordinary shares of £1 each	278,787	278,787
	<u>          </u>	<u>          </u>
<b>Allotted, called up and fully paid</b>		
278,787 Ordinary shares of £1 each	278,787	278,787
	<u>          </u>	<u>          </u>

### 11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 January 1997	(291,822)
Retained profit for the year	10,406
	<u>          </u>
Balance at 31 December 1997	(281,416)
	<u>          </u>

12 Reconciliation of movements in shareholders' funds	1997 £	1996 £
Profit for the financial year	10,406	5,205
Opening shareholders' funds	(13,037)	(18,242)
	<u>          </u>	<u>          </u>
Closing shareholders' funds	(2,629)	(13,037)
	<u>          </u>	<u>          </u>

### 13 Financial commitments

At 31 December 1997 the company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	1997 £	1996 £
Expiry date:		
Within one year	8,000	8,000
	<u>          </u>	<u>          </u>

# **S M M SOFTWARE LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1997**

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### **14 Capital commitments**

The company has no capital commitments at 31 December 1997 or 31 December 1996.