

**SEQUEL BUSINESS  
SOLUTIONS LIMITED**

**Company Number 02745421**

**Financial Statements for the Year Ended  
31st March 2002**



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**Sequel Business Solutions Ltd**  
**Directors' Report**  
**For the year ended 31 March 2002**



The directors present their report and financial statements for the year ended 31 March 2002.

**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;
- make judgements and estimates that are reasonable and prudent; and
- 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.

**Directors**

The following directors have held office since 1 April 2001 and to the date of this report:

D K Smith  
M G Ralph  
T D O'Connor  
S J McNicholas

**Directors' interests**

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

	Ordinary shares of £1 each	
	31 March 2002	1 April 2001
D K Smith	51	51
M G Ralph	12	12
T D O'Connor	49	49
S J McNicholas	6	6

**Principal activities**

The principal activity of the company continued to be that of insurance software consultancy.

**Review of the business**

Both the level of business and the year end financial position were satisfactory, and the directors expect the present level of activity will be sustained for the foreseeable future.

**Sequel Business Solutions Ltd**  
**Directors' Report**  
**For the year ended 31 March 2002**

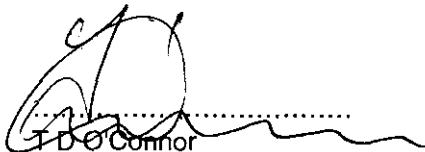


**Auditors**

Mazars Neville Russell were appointed auditors to the company during the year and a resolution to re-appoint them as auditors will be proposed at the forthcoming annual general meeting.

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

Approved by the board on ...1 August 2002  
and signed on its behalf by

  
.....  
J. D. O'Connor  
**Director**

**Independent Auditors' Report to the Shareholders of Sequel Business Solutions Ltd**  
**For the year ended 31 March 2002**

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 in the Statement of Directors' responsibilities the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Accounting Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the Directors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.


**Basis of audit opinion**

We conducted our audit in accordance with United Kingdom 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 the company's affairs as at 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Mazars Neville Russell  
CHARTERED ACCOUNTANTS  
and Registered Auditors  
24 Bevis Marks  
London EC3A 7NR

5 August 2002

**Sequel Business Solutions Ltd**  
**Profit and Loss Account**  
**For the year ended 31 March 2002**



	Notes	2002 £	2001 £
<b>Turnover</b>		<b>2,637,011</b>	<b>1,837,229</b>
Administrative expenses		(2,374,311)	(1,756,314)
<b>Operating profit</b>	<b>2</b>	<b>262,700</b>	<b>80,915</b>
Other interest receivable and similar income	<b>3</b>	10,787	11,184
		<b>273,487</b>	<b>92,099</b>
<b>Profit on ordinary activities before taxation</b>			
Tax on profit on ordinary activities	<b>6</b>	(81,476)	(11,629)
<b>Retained profit for the year</b>		<b>192,011</b>	<b>80,470</b>

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.

**Sequel Business Solutions Ltd**  
**Balance Sheet**  
**As at 31 March 2002**



	Notes	2002		2001	
		£	£	£	£
<b>Fixed Assets</b>					
Tangible assets	7		179,326		138,150
Investments	8		-		149
			<u>179,326</u>		<u>138,299</u>
<b>Current Assets</b>					
Debtors	9	509,022		242,234	
Cash at bank and in hand		<u>593,796</u>		<u>531,592</u>	
		1,102,818		773,826	
<b>Creditors: amounts falling due within one year</b>	10	<u>(540,515)</u>		<u>(391,856)</u>	
<b>Net current assets</b>			562,303		381,970
<b>Provision for deferred tax</b>	11		(29,349)		-
<b>Total assets less liabilities</b>			<u><u>712,280</u></u>		<u><u>520,269</u></u>
<b>Capital and reserves</b>					
Called up share capital	12		130		130
Profit and loss account	13		712,150		520,139
<b>Shareholders' funds - equity interests</b>	14		<u><u>712,280</u></u>		<u><u>520,269</u></u>

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

Approved by the Board on 1 August 2002  
and signed on its behalf by

DK Smith  
**Director**



## **1 Accounting Policies**

### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

### **1.2 Turnover**

Turnover represents the value of work done for clients after adjusting for all foreseeable losses, and excluding value added tax. Turnover from the sale of software products to customers is recognised on final customer acceptance.

### **1.3 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:

Office equipment	33% reducing balance
Fixtures, fittings & equipment	33% reducing balance
Computer equipment	33% reducing balance

### **1.4 Leasing**

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

### **1.5 Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

### **1.6 Pensions**

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

### **1.7 Deferred taxation**

The company has adopted Financial Accounting Standard 19 'Deferred Tax'. This adoption has not resulted in a requirement to restate the comparative figures. Deferred tax is provided in respect of the tax effect of all timing differences in accordance with FRS 19.



## 2 Operating Profit

	2002	2001
Operating profit is stated after charging:	£	£
Depreciation of tangible assets	57,003	44,703
Operating lease rentals	140,674	118,370
Auditors' remuneration	6,800	7,050
	<u>6,800</u>	<u>7,050</u>

## 3 Other interest receivable and similar income

	2002	2001
	£	£
Bank interest	<u>10,787</u>	<u>11,184</u>

## 4 Staff Costs

	2002	2001
Particulars of employees' (including directors') costs are shown below	£	£
Wages and salaries	1,466,957	1,126,291
Social Security Costs	162,005	108,015
Pension and Life Insurance	54,309	7,212
	<u>1,683,271</u>	<u>1,241,518</u>

The average monthly number of persons employed within the company during the year was 29 (2001 - 25).

## 5 Directors' emoluments

	2002	2001
	£	£
Directors' emoluments	<u>347,042</u>	<u>318,358</u>

Two directors accrued benefits under a money purchase pension scheme.





## 6 Taxation

	2002 £	2001 £
(a) <b>Analysis of charge in period</b>		
Current tax:		
UK Corporation tax on profits of the period	52,127	11,629
Adjustments in respect of previous periods	-	-
Total current tax (see (b) below)	<u>52,127</u>	<u>11,629</u>
Deferred tax:		
Origination and reversal of timing differences	29,349	-
Total deferred tax (see note 9)	<u>29,349</u>	<u>-</u>
Tax on profit on ordinary activities	<u>81,476</u>	<u>11,629</u>

### (b) Factors affecting tax charge for the period

The tax for the period is lower than the standard rate of corporation tax in the UK (30%).  
The differences are explained below:

	2002 £	2001 £
Profit on ordinary activities before tax	<u>273,487</u>	<u>92,099</u>
Profit on ordinary activities multiplied by standard rate of UK Corporation Tax of 30% (2001: 20%)	<u>82,046</u>	<u>18,420</u>
Effects of:		
Non deductible expenses	3,140	3,968
Capital allowances for period in excess of depreciation	(19,761)	(10,759)
Tax rate adjustments - marginal relief	(13,298)	-
	<u>(29,919)</u>	<u>(6,791)</u>
Current tax charge	<u>52,127</u>	<u>11,629</u>



## 7 Tangible Fixed Assets

	Computer equipment £	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>				
At 1 April 2001	258,471	15,401	22,951	296,823
Additions	95,092	-	3,087	98,179
At 31 March 2002	<u>353,563</u>	<u>15,401</u>	<u>26,038</u>	<u>395,002</u>
<b>Depreciation</b>				
At 1 April 2001	134,064	10,623	13,986	158,673
Charge for the year	52,546	1,358	3,099	57,003
At 31 March 2002	<u>186,610</u>	<u>11,981</u>	<u>17,085</u>	<u>215,676</u>
<b>Net Book Value</b>				
At 31 March 2002	<u>166,953</u>	<u>3,420</u>	<u>8,953</u>	<u>179,326</u>
At 31 March 2001	<u>124,407</u>	<u>4,778</u>	<u>8,965</u>	<u>138,150</u>

## 8 Fixed asset investments

	Shares in group undertakings and participating interests £	
<b>Cost</b>		
At 31 March 2002		<u>-</u>
At 31 March 2001		<u>149</u>
	<b>2002 £</b>	<b>2001 £</b>
<b>Brokerprofessional Limited</b>		
Net Assets	<u>1</u>	<u>-</u>
Profit and Loss account	<u>-</u>	<u>-</u>
	<b>2002 £</b>	<b>2001 £</b>
<b>Sequel Training Solutions Limited</b>		
Net Assets	<u>(14)</u>	<u>(14)</u>
Profit and Loss account	<u>-</u>	<u>(114)</u>

Brokerprofessional Limited and Sequel Training Solutions Limited are wholly owned subsidiaries of Sequel Business Solutions Limited which are no longer trading.



## 9 Debtors

	2002 £	2001 £
Trade debtors	262,324	139,892
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	7,982
Other debtors	246,698	94,360
	<u>509,022</u>	<u>242,234</u>

All debtors are due within one year.

## 10 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	77,216	77,513
Taxation and social security	255,946	116,972
Other creditors	207,353	197,371
	<u>540,515</u>	<u>391,856</u>

## 11 Provision for deferred taxation

	2002 £	2001 £
Excess of capital allowances over depreciation	<u>29,349</u>	<u>-</u>
Undiscounted provision for deferred taxation at 1 April 2001	-	-
Deferred tax charge to the profit and loss account (Note 6)	<u>29,349</u>	<u>-</u>
Provision at 31 March 2002	<u>29,349</u>	<u>-</u>

## 12 Share Capital

	2002 £	2001 £
<b>Authorised</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
<b>Allotted, called up and fully paid</b>		
130 Ordinary shares of £1 each	<u>130</u>	<u>130</u>



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

	Profit and loss account £
Balance at 1 April 2001	520,139
Retained profit for the year	192,011
Balance at 31 March 2002	<u>712,150</u>

### 14 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Net addition to shareholders' funds	192,011	80,470
Opening shareholders' funds	520,269	439,799
Closing shareholders' funds	<u>712,280</u>	<u>520,269</u>

### 15 Financial commitments

At 31 March 2002 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2002 £	2001 £
Expiry date:		
Within one year	-	87,175
Two to five years	<u>157,019</u>	<u>-</u>