

**SEQUEL BUSINESS
SOLUTIONS LIMITED**

Company Number 02745421

Financial Statements for the Year Ended

31st March 2003



Sequel Business Solutions Ltd
Directors' Report
For the year ended 31 March 2003



The directors present their report and financial statements for the year ended 31 March 2003.

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 2002 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 2003	1 April 2002
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 is delivering business applications to the insurance and reinsurance industry.

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Sequel Business Solutions Ltd
Directors' Report
For the year ended 31 March 2003



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.

Auditors

Mazars 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 10 September 2003
and signed on its behalf by

T D O'Connor
Director

**Independent Auditors' Report to the members of
Sequel Business Solutions Ltd
For the year ended 31 March 2003**



We have audited the financial statements for the year ended 31 March 2003 which comprise of the Profit and Loss Account, the Balance Sheet and related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 misstatement within it.

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.

**Independent Auditors' Report to the members of
Sequel Business Solutions Ltd
For the year ended 31 March 2003**



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 2003 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Mazars

Mazars
Chartered Accountants
and Registered Auditors
24 Bevis Marks
London EC3A 7NR

..... September 2003

Sequel Business Solutions Ltd
Profit and Loss Account
For the year ended 31 March 2003



	Notes	2003 £	2002 £
Turnover		2,826,995	2,637,011
Administrative expenses		(2,565,400)	(2,374,311)
Operating profit	2	261,595	262,700
Other interest receivable and similar income	3	13,488	10,787
Profit on ordinary activities before taxation		275,083	273,487
Tax on profit on ordinary activities	6	(58,693)	(81,476)
Retained profit for the year		216,390	192,011

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

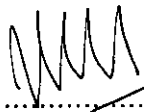
There are no recognised gains and losses other than those passing through the profit and loss account.

Sequel Business Solutions Ltd
Balance Sheet
For the year ended 31 March 2003

		2003		2002	
	Notes	£	£	£	£
Fixed Assets					
Tangible assets	7		188,922		179,326
Current Assets					
Debtors	8	747,896		509,022	
Cash at bank and in hand		<u>705,447</u>		<u>593,796</u>	
		1,453,343		1,102,818	
Creditors: amounts falling due within one year	9	<u>(675,446)</u>		<u>(540,515)</u>	
Net current assets			777,897		562,303
Provision for deferred tax	10		(38,149)		(29,349)
Total assets less liabilities			<u>928,670</u>		<u>712,280</u>
Capital and reserves					
Called up share capital	11		130		130
Profit and loss account	12		928,540		712,150
Shareholders' funds - equity interests	13		<u>928,670</u>		<u>712,280</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 10 September 2003
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 Pensions

The company operates defined contribution schemes for directors and employees. Pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with FRS 17.

1.6 Deferred taxation

Deferred tax is provided in respect of the tax effect of all timing differences in accordance with FRS 19.



2 Operating Profit

	2003 £	2002 £
Operating profit is stated after charging:		
Depreciation of tangible assets	73,152	57,003
Loss on disposal of tangible assets	20,507	-
Operating lease rentals	163,610	140,674
Auditors' remuneration	<u>7,200</u>	<u>6,800</u>

3 Other interest receivable and similar income

	2003 £	2002 £
Bank interest	<u>13,488</u>	<u>10,787</u>

4 Staff Costs

Particulars of employees' (including directors') costs are shown below	2003 £	2002 £
Wages and salaries	1,635,473	1,466,957
Social Security Costs	175,679	162,005
Pension and Life Insurance	<u>61,634</u>	<u>54,309</u>
	<u>1,872,786</u>	<u>1,683,271</u>

The average monthly number of persons employed within the company during the year was 31 (2002 - 29).

5 Directors' emoluments

	2003 £	2002 £
Directors' emoluments	<u>346,367</u>	<u>347,042</u>

Two directors accrued benefits under a money purchase pension scheme.

6 Taxation

	2003 £	2002 £
(a) Analysis of charge in period		
Current tax:		
UK Corporation tax on profits of the period	49,893	52,127
Adjustments in respect of previous periods	-	-
Total current tax (see (b) below)	49,893	52,127
Deferred tax:		
Origination and reversal of timing differences	8,800	29,349
Total deferred tax (see note 10)	8,800	29,349
Tax on profit on ordinary activities	<u>58,693</u>	<u>81,476</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:

	2003 £	2002 £
Profit on ordinary activities before tax	<u>275,084</u>	<u>273,487</u>
Profit on ordinary activities multiplied by standard rate of UK Corporation Tax of 30% (2002: 30%)	<u>82,525</u>	<u>82,046</u>
Effects of:		
Non deductible expenses	5,054	3,140
Capital allowances for period in excess of depreciation	(8,800)	(19,761)
Tax rate adjustments - marginal relief	(28,886)	(13,298)
	<u>(32,632)</u>	<u>(29,919)</u>
Current tax charge	<u>49,893</u>	<u>52,127</u>

7 Tangible Fixed Assets

	Computer Equipment £	Fixtures & Fittings £	Office Equipment £	Total £
Cost				
At 1 April 2002	353,563	15,401	26,038	395,002
Additions	102,195	-	1,060	103,255
Disposals	(100,940)	(620)	(9,359)	(110,919)
At 31 March 2003	<u>354,818</u>	<u>14,781</u>	<u>17,739</u>	<u>387,338</u>
Depreciation				
At 1 April 2002	186,610	11,981	17,085	215,676
Charge for the year	69,403	971	2,778	73,152
Disposals	(82,710)	(531)	(7,171)	(90,412)
At 31 March 2003	<u>173,303</u>	<u>12,421</u>	<u>12,692</u>	<u>198,416</u>
Net Book Value				
At 31 March 2003	<u>181,515</u>	<u>2,360</u>	<u>5,047</u>	<u>188,922</u>
At 31 March 2002	<u>166,953</u>	<u>3,420</u>	<u>8,953</u>	<u>179,326</u>

8 Debtors

	2003 £	2002 £
Trade debtors	442,471	262,324
Other debtors	305,425	246,698
	<u>747,896</u>	<u>509,022</u>

All debtors are due within one year.

9 Creditors: amounts falling due within one year

	2003 £	2002 £
Trade creditors	52,898	77,216
Taxation and social security	231,146	255,946
Other creditors	391,402	207,353
	<u>675,446</u>	<u>540,515</u>

10 Provision for deferred taxation

	2003 £	2002 £
Excess of capital allowances over depreciation	<u>38,149</u>	<u>29,349</u>
Provision for deferred taxation at 1 April 2002	29,349	
Deferred tax charge to the profit and loss account (Note 6)	<u>8,800</u>	
Provision at 31 March 2003	<u>38,149</u>	

11 Share Capital

	2003 £	2002 £
Authorised		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid		
130 Ordinary shares of £1 each	<u>130</u>	<u>130</u>

12 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2002	712,150
Retained profit for the year	216,390
Balance at 31 March 2003	<u>928,540</u>

13 Reconciliation of movements in shareholders' funds

	2003 £	2002 £
Net addition to shareholders' funds	216,390	192,011
Opening shareholders' funds	712,280	520,269
Closing shareholders' funds	<u>928,670</u>	<u>712,280</u>



14 Financial commitments

At 31 March 2003 the company had annual commitments under non-cancellable operating leases as follows:

	Land and Buildings	
	2003	2002
	£	£
Expiry date:		
Within one year	-	-
Two to five years	<u>157,019</u>	<u>157,019</u>