

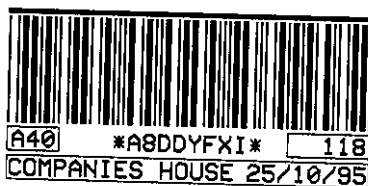
SEQUEL BUSINESS SOLUTIONS LIMITED

Company No. 2745421

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 1995



KINGSTON
SMITH

Chartered Accountants

Sequel Business Solutions Limited

Company Information

Directors

D K Smith
M G Ralph
T D O'Connor

Secretary

T D O'Connor

Business Address

100 Fenchurch Street
London EC3P 3EH

Registered Office

Devonshire House
146 Bishopsgate
London EC2M 4JX

Auditors

Kingston Smith
Devonshire House
146 Bishopsgate
London EC2M 4JX

Bankers

Lloyds Bank PLC
72 Fenchurch Street
London EC3P 3EH

Sequel Business Solutions Limited

Directors' Report

The directors have pleasure in presenting their report and financial statements for the year ended 31st March 1995.

Principal activity and business review

The principle activity of the company throughout the year was that of insurance software consultancy.

The results for the year and the financial position at the year end were considered satisfactory by the directors who expect continued growth in the foreseeable future.

Results and dividend

The results of the company for the year are set out on page 3.

Interim dividends of £115,000 were paid during the year. The directors do not recommend the payment of a final dividend.

It is recommended that the whole of the retained profit be set aside to reserves.

Share capital

The capital of the company was increased by the issue of 30 ordinary shares of £1 each at par to bring new shareholders into the company.

Fixed assets

The movements in fixed assets are shown in the notes to the financial statements.

Directors and their interests

The directors who served the company throughout the year together with their interests (including family interests) in the shares of the company, at the beginning and end of the year, were as follows:

	Ordinary shares of £1 each	
	31 March 1995	31 March 1994
D K Smith	51	51
T D O'Connor	49	49
M G Ralph (Appointed 31.03.95)	12	-

Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.



By Order of the Board
T D O'Connor
Secretary
25 June 1995

Devonshire House
146 Bishopsgate
London EC2M 4JX

Sequel Business Solutions Limited

Directors' Responsibilities and Report of the Auditors

Statement of 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 and then apply them consistently; make judgements and estimates that are reasonable and prudent; and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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 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.

Auditors' Report to the Members of Sequel Business Solutions Limited

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of directors and auditors

As described above, the company's directors are responsible for the preparation of the 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.

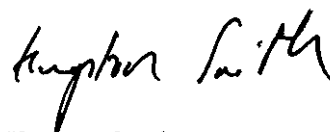
Basis of opinion

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 the company's affairs as at 31st March 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Kingston Smith
Chartered Accountants
and Registered Auditors

Devonshire House
146 Bishopsgate
London EC2M 4JX

Date: 26 June 1995.....

Sequel Business Solutions Limited
Profit and Loss Account
For the year ended 31st March 1995

	Note	1995 £	1994 £
Turnover		774,961	700,000
Administrative expenses		(559,483)	(430,252)
Operating profit	2	215,478	269,748
Interest receivable and similar income		7,021	3,461
Profit on ordinary activities before taxation		222,500	273,209
Taxation	5	(60,766)	(68,089)
Profit for the financial year		161,734	205,120
Dividends on equity shares	6	(115,000)	(95,000)
Retained profit transferred to reserves	7	46,734	110,120

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

Sequel Business Solutions Limited

Balance Sheet at 31st March 1995

		1995		1994	
	<u>Note</u>	£	£	£	£
Fixed Assets					
Tangible assets	8		50,445		45,832
Current Assets					
Debtors	9	93,848		63,450	
Cash at bank and in hand		157,439		120,948	
		<u>251,287</u>		<u>184,398</u>	
Creditors: Amounts falling due within one year	10	<u>(144,747)</u>		<u>(120,010)</u>	
Net Current Assets			<u>106,539</u>		<u>64,388</u>
Net Assets			<u>156,984</u>		<u>110,220</u>
Capital and Reserves					
Called up share capital	7		130		100
Profit and loss account	7		156,854		110,120
			<u>156,984</u>		<u>110,220</u>

Approved by the board on 25 June 1995.....

..... D K Smith

..... T D O'Connor

..... M G Ralph

Sequel Business Solutions Limited

Notes to the Financial Statements

For the year ended 31st March 1995

1 Principal Accounting Policies

Accounting basis and standards

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards.

Turnover

Turnover represents the invoiced value of services provided net of value added tax.

Depreciation

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

Computer equipment	33 1/3% reducing balance
Office equipment	25% reducing balance
Furniture and fittings	25% reducing balance

Deferred taxation

Deferred taxation is accounted for under the liability method in respect of the taxation effects of all timing differences which are expected to reverse in the future, calculated at the rate at which it is estimated that tax will be payable

2	Operating Profit	1995	1994
		£	£
	The operating profit is stated after charging:		
	Auditors remuneration	1,700	1,750
	Depreciation	23,217	15,915

3	Directors and Employees	1995	1994
		£	£
	Staff costs during the year were as follows:		
	Wages and salaries	39,050	26,000
	Social security costs	3,988	2,703
	Other pension costs	30,000	25,100
		73,038	53,803

The average number of employees (including directors) during the year was as follows:

	Number	Number
Client services	3	2

Sequel Business Solutions Limited

Notes to the Financial Statements

For the year ended 31st March 1995

3	Directors and Employees (Continued)	1995	1994
	Fees	35,873	28,703
	Other emoluments	30,000	25,100
		65,873	53,803
	Chairman and highest paid director	35,551	30,803

The other directors fall within the following ranges:

	Number	Number
£Nil	1	-
£20,001 - £25,000	-	1
£25,001 - £30,000	1	-

5	Taxation	1995	1994
		£	£
	Corporation tax based on the results for the year at the rate of 25% (1994: 25%)	60,766	68,089

6	Dividends	1995	1994
		£	£
	Paid	115,000	95,000

7	Shareholders' Funds	Profit and loss account £	Called up share capital £	Total £
	Balance at 1 April 1994	110,120	100	110,220
	Share issues	-	30	30
	Transfer from profit and loss account	46,734	-	46,734
	Balance at 31 March 1995	156,854	130	156,984

The share capital comprises:

Authorised:

10,000 Ordinary shares of £1 each

10,000	100
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Called up, allotted and fully paid:

130 Ordinary shares of £1 each

130	100
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Sequel Business Solutions Limited
Notes to the Financial Statements
For the year ended 31st March 1995

8 Tangible Assets

	Furniture and fittings £	Computer equipment £	Office equipment £	Total £
Cost				
At 1 April 1994	7,330	49,583	4,834	61,747
Additions	175	24,335	3,320	27,830
At 31 March 1995	<u>7,505</u>	<u>73,918</u>	<u>8,154</u>	<u>89,577</u>
Depreciation				
At 1 April 1994	925	13,893	1,097	15,915
Charge for the year	1,645	19,808	1,764	23,217
At 31 March 1995	<u>2,570</u>	<u>33,701</u>	<u>2,861</u>	<u>39,132</u>
Net book value				
At 31 March 1995	<u>4,935</u>	<u>40,217</u>	<u>5,293</u>	<u>50,445</u>
At 31 March 1994	<u>6,405</u>	<u>35,690</u>	<u>3,737</u>	<u>45,832</u>

9 Debtors

	1995 £	1994 £
Trade debtors	69,537	63,450
Other debtors	17,109	-
Prepayments and accrued income	7,202	-
	<u>93,848</u>	<u>63,450</u>

10 Creditors: Amounts Falling Due Within One Year

	1995 £	1994 £
Trade creditors	69,679	16,446
Corporation tax	42,266	54,149
Social security and other taxes	23,227	20,572
Accruals and deferred income	9,575	28,843
	<u>144,747</u>	<u>120,010</u>

**11 Provisions for Liabilities and Charegs
Deferred Taxation**

	1995		1994	
	Amount provided	Potential liability	Amount provided	Potential liability
Accelerated capital allowances	-	209	-	1,879

Sequel Business Solutions Limited

Notes to the Financial Statements

For the year ended 31st March 1995

12 Future Financial Commitments

Operating Leases

At 31st March 1995 the company had annual commitments under operating leases as set out below:

	1995		1994	
	Land and Buildings	Other	Land and Buildings	Other
Operating leases which expire after five years	28,950	-	-	-