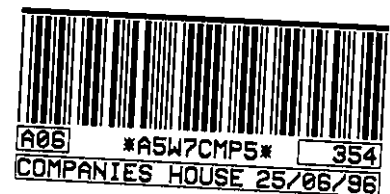


# SEQUEL BUSINESS SOLUTIONS LIMITED

Company No. 2745421

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH 1996



# **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  
Chartered Accountants  
Devonshire House  
146 Bishopsgate  
London EC2M 4JX

### **Bankers**

Lloyds Bank plc  
72 Fenchurch Street  
London EC3P 3EH

# Sequel Business Solutions Limited

## Report of the Directors

The directors have pleasure in presenting their report and financial statements for the year ended 31st March 1996.

### Principal Activity and Business Review

The principal 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 £100,000 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.

### Fixed Assets

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

### Directors and their Interests

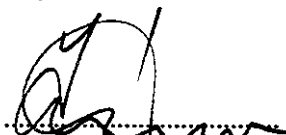
The directors who served the company throughout the year together with their interests (including family interests) in the shares of the company, at the beginning and end of the year, were as follows:

	Ordinary Shares of £1 each	
	31st March 1996	31st March 1995
D.K. Smith	51	51
T.D. O'Connor	49	49
M.G. Ralph	12	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

Devonshire House  
146 Bishopsgate  
London EC2M 4JX

29th May 1996

# **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.

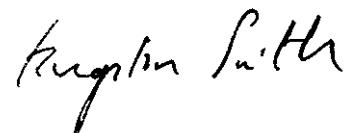
#### **Basis of Opinion**

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 at 31st March 1996 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: 31st May 1996

**Sequel Business Solutions Limited**  
**Profit and Loss Account**  
**For the year ended 31st March 1996**

	Note	1996 £	1995 £
Turnover		1,057,937	774,962
Administrative expenses		<u>(875,355)</u>	<u>(559,484)</u>
Operating Profit	2	182,582	215,478
Interest receivable and similar income		<u>13,776</u>	<u>7,022</u>
Profit on Ordinary Activities before Taxation		196,358	222,500
Taxation	5	<u>(52,974)</u>	<u>(60,766)</u>
Profit for the Financial Year		143,384	161,734
Dividends on equity shares		<u>(100,000)</u>	<u>(115,000)</u>
Retained Profit transferred to Reserves	7	<u><u>43,384</u></u>	<u><u>46,734</u></u>

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 1996

	Note	1996 £	1996 £	1995 £	1995 £
<b>Fixed Assets</b>					
Tangible assets	8		40,642		50,445
<b>Current Assets</b>					
Debtors	9	123,228		93,848	
Cash at bank and in hand		<u>261,925</u>		<u>157,439</u>	
		385,153		251,287	
<b>Creditors: Amounts falling due within one year</b>	10	<u>(225,427)</u>		<u>(144,747)</u>	
<b>Net Current Assets</b>			<u>159,726</u>		<u>106,539</u>
<b>Net Assets</b>			<u>200,368</u>		<u>156,984</u>
 <b>Capital and Reserves</b>					
Called up share capital	7		130		130
Profit and loss account	7		<u>200,238</u>		<u>156,854</u>
			<u>200,368</u>		<u>156,984</u>

Approved by the board on 29th May 1996

D.K. Smith ..... Director

T.D O'Connor ..... Director

M.G. Ralph ..... Director

# Sequel Business Solutions Limited

## Notes to the Financial Statements

### For the year ended 31st March 1996

#### 1 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 tax 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

	1996	1995
	£	£
The operating profit is stated after charging:		
Auditors' remuneration	1,822	1,800
Depreciation	<u>18,797</u>	<u>23,217</u>

#### 3 Directors' and Employees

	1996	1995
	£	£
Staff costs during the year were as follows:		
Wages and salaries	564,785	39,050
Social security costs	57,262	3,988
Other pension costs	<u>44,856</u>	<u>30,000</u>
	<u>666,903</u>	<u>73,038</u>

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

	Number	Number
Client services	<u>15</u>	<u>3</u>

**Sequel Business Solutions Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 1996 (Continued)**

<b>3 Directors and Employees (Continued)</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Fees	181,830	35,873
Other emoluments	37,680	30,000
	<u>219,510</u>	<u>65,873</u>
Chairman and highest paid director	<u>55,000</u>	<u>35,551</u>
The other directors fall within the following ranges:		
	<b>Number</b>	<b>Number</b>
£Nil	-	1
£25,001 - £30,000	-	1
£50,001 - £55,000	<u>2</u>	<u>-</u>
<b>5 Taxation</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Corporation tax based on the results for the year at the rate of 25% (1995 - 25%)	<u>52,974</u>	<u>60,766</u>
<b>6 Dividends</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Paid	<u>100,000</u>	<u>115,000</u>
<b>7 Shareholders' Funds</b>		
<b>1996</b>	<b>Profit and Loss Account £</b>	<b>Called Up Share Capital £</b>
Balance at 1st April 1995	156,854	130
Transfer from profit and loss account	<u>43,384</u>	<u>-</u>
Balance at 31st March 1996	<u>200,238</u>	<u>130</u>
<b>1995</b>	<b>Profit and Loss Account £</b>	<b>Called Up Share Capital £</b>
Balance at 1st April 1994	110,120	100
Share issues	-	30
Transfer from profit and loss account	<u>46,734</u>	<u>-</u>
Balance at 31st March 1995	<u>156,854</u>	<u>130</u>



**Sequel Business Solutions Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 1996 (Continued)**

**7 Shareholders' Funds (Continued)**

	1996 £	1995 £
The share capital comprises:		
Authorised:		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Called up, allotted and fully paid:		
130 Ordinary shares of £1 each	<u>130</u>	<u>130</u>

**8 Tangible Assets**

	Furniture and Fittings £	Computer Equipment £	Office Equipment £	Total £
Cost				
At 1st April 1995	7,505	73,918	8,154	89,577
Additions	<u>-</u>	<u>8,994</u>	<u>-</u>	<u>8,994</u>
At 31st March 1996	<u>7,505</u>	<u>82,912</u>	<u>8,154</u>	<u>98,571</u>
Depreciation				
At 1st April 1995	2,570	33,701	2,861	39,132
Charge for the year	<u>1,234</u>	<u>16,240</u>	<u>1,323</u>	<u>18,797</u>
At 31st March 1996	<u>3,804</u>	<u>49,941</u>	<u>4,184</u>	<u>57,929</u>
Net Book Value				
At 31st March 1996	<u>3,701</u>	<u>32,971</u>	<u>3,970</u>	<u>40,642</u>
At 31st March 1995	<u>4,935</u>	<u>40,217</u>	<u>5,293</u>	<u>50,445</u>

**9 Debtors**

	1996 £	1995 £
Trade debtors	66,094	69,537
Other debtors	17,103	17,109
Prepayments and accrued income	<u>40,031</u>	<u>7,202</u>
	<u>123,228</u>	<u>93,848</u>

**Sequel Business Solutions Limited**  
**Notes to the Financial Statements**  
**For the year ended 31st March 1996 (Continued)**

<b>10 Creditors: Amount falling due within one year</b>	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Trade creditors	39,717	69,679
Corporation tax	52,974	42,266
Social security and other taxes	102,568	23,227
Accruals and deferred income	<u>30,168</u>	<u>9,575</u>
	<u><u>225,427</u></u>	<u><u>144,747</u></u>

**11 Provisions for Liabilities and Charges**

**Deferred Taxation**

	1996		1995	
	Amount Provided £	Potential Liability £	Amount Provided £	Potential Liability £
Accelerated capital allowances	<u>-</u>	<u>-</u>	<u>-</u>	<u>209</u>

**12 Future Financial Commitments**

**Operating Leases**

At 31st March 1996 the company had annual commitments under operating leases as set out below:

	1996		1995	
	Land and Buildings £	Other £	Land and Buildings £	Other £
Operating leases which expire within five years	<u>28,950</u>	<u>-</u>	<u>28,950</u>	<u>-</u>