

**QUALITY SOFTWARE & MANAGEMENT LTD**  
**REPORT AND ACCOUNTS**

**For the period 1st September 1996 to 31st August 1997**

**Company Number 2834468**



# QUALITY SOFTWARE & MANAGEMENT LTD

## DIRECTORS REPORT

**For the period 1st September 1996 to 31st August 1997**

### 1. Principal Activity

The Company is engaged in the supply of computer services.

The Company was incorporated and commenced trading on 8th July 1993.

### 2. Director And His Interest

The Director during the financial period ended 31st August 1997 and his beneficial interest in the Ordinary Shares of the Company at the end of the period, was as follows:

Mr Hugh Conway 120

Mr Conway's continuing appointment will be put to the Annual General Meeting by the Company Secretary.

### 3. Director's Responsibilities

Company Law requires the Director 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 Director is required to:

Select suitable accounting policies and apply them consistently.

Make judgements and estimates that are reasonable and prudent.

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

### 4. Auditor

It has been decided that the Company is defined as a 'Small Company' in accordance with the Companies Acts of 1985 and 1989. Under these Acts an audit of the annual accounts is not required.

### 5. Investment In Fixed Assets

It was decided that the company will continue to invest in suitable computer equipment and software in the forthcoming year 1st September 1997 - 31st August 1998, to facilitate the company winning future contracts and the Director(s) acquitting their duties to the Company and it's shareholders.

Quality Software & Management Ltd.  
31 Cornwall Avenue, Southall, Middlesex UB1 2TD. Telephone 0181 575-1299

Quality Software & Management Ltd. Registered Office as above. Registered in England No: 2834468

## 6. Dividends

There was only one dividend paid for the company year ending 31st August 1997. A dividend will be paid in the new financial year, (during September 1997) following payment by the major debtor. An allowance for these monies has been included in the balance sheet.

## 7. Close Company

Quality Software & Management Ltd is a Close Company within the terms of the Income and Corporation Taxes Act 1988.

In preparing this Report, the Director has taken advantage of the special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

By Order Of The Board



Hugh Conway  
Director

## Registered Office

31, Cornwall Avenue,  
Southall,  
Middlesex,  
UB1 2TD.

# Quality Software & Management Ltd

## Balance Sheet as at 31st August 1997

<u>Fixed Assets</u>	Notes	£	£
Tangible Assets	[2]		2686.81
<u>Current Assets</u>			
Debtors	[3]	6,663.04	
Bank & Cash		26,792.96	
		<u>33,456.00</u>	
<u>Current Liabilities</u>			
Creditors due within 1 year	[4]	<u>(23,117.44)</u>	10,338.56
<u>Total Assets Less Current Liabilities</u>			<u>13,025.37</u>
<u>Capital And Reserves</u>	[6]		
Called Up Share Capital			200.00
Plus Profit & Loss Account			<u>12,825.37</u>
			<u>13,025.37</u>

For the financial period ended 31st August 1997, the Company was entitled to exemption from audit under S.249A(1) Companies Act 1985 and no notice has been deposited under S.249B(2). The Director acknowledges his responsibilities for ensuring that the Company keeps accounting records which comply with S.221 and preparing Accounts which give a true and fair view of the state of affairs of the Company at the year end and of its profit or loss for the financial year in accordance with the requirements of S.226 and which otherwise comply with the requirements of the Companies Act 1985, so far as is applicable to the Company.

The Director has taken advantage of special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the Accounts and has done so on the grounds that, in his opinion, the Company qualifies as a small company.

H.P.J. Conway



Director

Approved by the Board on

7<sup>th</sup> June

1998

The notes on pages 5 and 6 form part of these Accounts.

# Quality Software & Management Ltd

## Profit And Loss Account

For the period ended 31st August 1997

	£	£
TURNOVER [7]		51,889.56
Less cost of sales		(17,877.27)
GROSS PROFIT		<u>34,012.29</u>
Less administration costs		(7,886.80)
OPERATING PROFIT		26,125.49
Plus Bank Interest received		540.29
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION [8]		<u>26,665.78</u>
TAXATION [5]		(6,396.24)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION FOR THE FISCAL YEAR		20,269.54
Less Dividends Paid	9,000.00	(9,000.00)
RETAINED PROFITS as at 31st August 1996		11,269.54
RETAINED PROFIT as at 31st August 1997		<u>1,555.83</u>
		<u>12,825.37</u>

There were no recognised gains or losses other than those included in the Profit and Loss Account.  
The notes on pages 5 and 6 form part of these Accounts.

# Quality Software & Management Ltd

## Notes On The Accounts

### For the period ended 31st August 1997

#### 1) ACCOUNTING POLICIES

The bases set out below are those used in the preparation of the accounts for the period ended 31st August 1997.

a) The historical cost convention has been used in preparing these accounts.

#### b) Fixed Assets and Depreciation

Fixed Assets are depreciated at rates estimated to write off the cost of each asset over it's expected useful life.

Depreciation has been charged at the following annual rates:-

Office Equipment - 15% on written down value.

Computer Equipment - 25% on written down value.

#### c) Taxation, including deferred taxation

i) Corporation tax at the appropriate rate has been provided in the accounts based upon the profits for the period.

ii) No provision for deferred taxation is required at present.

#### d) Turnover

This represents sales invoiced during the period, less credits and excluding VAT.

#### 2) TANGIBLE FIXED ASSETS

	£	<u>Office Equipment</u> £
<u>COST</u>		
As at 31st August 1996	692.28	
Additions	<u>0.00</u>	
As at 31st August 1997	<u>692.28</u>	692.28
 <u>DEPRECIATION</u>		
As at 31st August 1996	260.40	
Charge for period	<u>103.84</u>	
As at 31st August 1997	<u>364.24</u>	<u>364.24</u>
 <u>NET BOOK VALUE</u>		<u>328.04</u>
As at 31st August 1997		

TANGIBLE FIXED ASSETS (CONTINUED)

<u>COST</u>	£	<u>Computer Equipment</u> £
As at 31st August 1996	2,578.12	
Additions	<u>1,712.73</u>	
As at 31st August 1997	<u>4,290.85</u>	4,290.85
 <u>DEPRECIATION</u>		
As at 31st August 1996	859.37	
Charge for period	<u>1,072.71</u>	
As at 31st August 1997	<u>1,932.08</u>	<u>1,932.08</u>
 <u>NET BOOK VALUE</u>		<u>2,358.77</u>
As at 31st August 1997		
3) <u>DEBTORS</u>		
Trade debtors		£6,663.04
4) <u>CREDITORS Amounts falling due within one year</u>		
VAT		2,711.30
PAYE Tax		282.02
Corporation Tax		£4,146.24
Salary HPJ Conway		977.88
Dividend due		<u>15,000.00</u>
		<u>23,117.44</u>
5) <u>TAXATION</u>		
i) <u>BALANCE SHEET</u>		
The provision under current taxation is analysed as follows:-		
Corporation tax due 1.6.98		<u>£4,146.24</u>
Total tax due		<u>£4,146.24</u>
ii) <u>PROFIT AND LOSS ACCOUNT</u>		
The charge for taxation is analysed as follows:-		
Corporation Tax at 24% based on the taxable profit for the year:		<u>£6,396.24</u>
iii) ACT of £2250.00 was paid on the final dividend year ended 31st August 1997 of £9,000.00. This was deducted from the corporation tax due for the year ended 31st August 1997.		

6) CALLED UP SHARE CAPITALAuthorised

10,000 Ordinary Shares of £1 each.

£10,000Allotted, Issued and Fully Paid

200 Ordinary Shares of £1 each

£2007) TURNOVER

The Turnover and Profit before taxation are attributable to the principle activity of the company.

8) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The Profit is stated after charging:-

Depreciation of Tangible Fixed Assets

£1,176

Staff Costs (see note 9)

£7,6289) STAFF COSTS

The analysis of staff costs is:-

Director: Salary

£7,200

Social Security Costs

£428£7,62810) LEASE COMMITMENT

The Company rented a small flat for staff use while on business, this being cheaper than hotel accommodation. The rent is £520 for four weeks, inclusive of bills, being a short term let with a maximum commitment of up to 4 weeks rent.



# Quality Software & Management Ltd

## Profit And Loss Account

For the period ended 31st August 1997

	£	£
<u>TURNOVER</u>		51,889.56
<u>COST OF SALES</u>		
Director's emoluments	7,628.36	
Motor & Travel Expenses	9,728.91	
Personal Incidental Expenses	520.00	17,877.27
<u>GROSS PROFIT</u>		34,012.29
<u>ADMINISTRATIVE EXPENSES</u>		
Rent & Rates	1,800.00	
Office Expenses	93.07	
Computer & Software	1,712.73	
Sundry Expenses	2,527.85	
Telephone	475.72	
Bank charges	98.06	
Bank Interest Paid	2.82	
Depreciation	1,176.55	7,886.80
<u>OPERATING PROFIT</u>		26,125.49
Bank Interest		540.29
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		26,665.78