

FORMATION TECHNOLOGIES LIMITED  
ANNUAL REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31ST OCTOBER, 1996

Company Number: 2931236



FORMATION TECHNOLOGIES LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST OCTOBER, 1996

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FORMATION TECHNOLOGIES LIMITED

DIRECTORS AND OFFICERS

FOR THE YEAR ENDED 31ST OCTOBER, 1996

|                             |   |
|-----------------------------|---|
| DIRECTORS                   | M.H.Evans   |
| SECRETARY                   | G.C.Evans   |
| REGISTERED OFFICE           | 23 Cam Wood Fold<br>Clayton-Le-Woods<br>Chorley<br>PR6 7SD  |
| PRINCIPAL PLACE OF BUSINESS | 23 Cam Wood fold<br>Clayton-Le-Woods<br>Chorley<br>PR6 7SD  |
| AUDITORS                    | Stephen Thomas<br>Chartered Accountant and<br>Registered Auditor<br>Greenlands<br>Parkside Drive<br>Whittle-Le-Woods<br>Chorley<br>Lancs<br>PR6 7PH |
| COMPANY NUMBER              | 2931236   |

**FORMATION TECHNOLOGIES LIMITED****REPORT OF THE DIRECTORS**

The directors present their report and accounts to the members for the year ended 31st October, 1996.

**BUSINESS REVIEW**

The company's principal activity during the year was that of producing computer software.

The year has been a satisfactory one and it is anticipated that this performance will be maintained in the forthcoming financial year.

**DIRECTORS AND THEIR INTERESTS**

The interests of the directors in the share capital of the company was as follows:-

|           | Interest in £1 ordinary shares<br>at 31/10/96 and 31/10/95 |   |
|-----------|--|---|
| M.H Evans | 1  | 1 |

**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;
- 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.

**FIXED ASSETS**

The changes in fixed assets during the year are summarised in note 6 to the financial statements.

**DIVIDENDS**

None have been paid or proposed.

**AUDITORS**

The auditor, Stephen Thomas, Registered Auditor will be proposed for re-appointment in accordance with section 385 of the Companies Act 1985.

This report has been prepared taking advantage of the special exemptions applicable to small companies.

Approved by the Board of Directors on 30 JANUARY 1997 and signed on their behalf by:

  
G.O. Evans  
Secretary

**FORMATION TECHNOLOGIES LIMITED****REPORT OF THE AUDITORS TO THE SHAREHOLDERS**

I have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out in note 1.

**Respective responsibilities of directors and auditors**

As described on page 2 the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

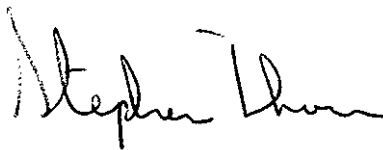
**Basis of opinion**

I conducted my 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

**Opinion**

In my opinion the financial statements give a true and fair view of the state of the company's affairs at 31st October 1996, and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Stephen Thomas  
Chartered Accountant and  
Registered Auditor  
Greenlands  
Parkside Drive  
Whittle-Le-Woods  
Chorley  
Lancs  
PR6 7PH

30 JANUARY 1997

FORMATION TECHNOLOGIES LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31ST OCTOBER, 1996

|  |      | <u>1996</u>  |              | <u>1995</u>  |              |
|--|------|--------------|--------------|--------------|--------------|
|  | Note | £            | £            | £            | £            |
| TURNOVER   | 2    |              | 9,567        |              | 4,720        |
| Administrative Expenses                          |      | <u>5,213</u> |              | <u>3,658</u> |              |
|  |      |              | <u>5,213</u> |              | <u>3,658</u> |
| OPERATING PROFIT                                 | 3    |              | 4,354        |              | 1,062        |
| Interest Receivable                              |      |              | <u>34</u>    |              | <u>5</u>     |
|  |      |              | <u>4,388</u> |              | <u>1,067</u> |
| PROFIT ON ORDINARY<br>ACTIVITIES BEFORE TAXATION |      |              | 4,388        |              | 1,067        |
| TAXATION ON PROFIT ON<br>ORDINARY ACTIVITIES     | 5    |              | <u>1,096</u> |              | <u>370</u>   |
| PROFIT ON ORDINARY<br>ACTIVITIES AFTER TAXATION  |      |              | 3,292        |              | 697          |
| RETAINED PROFIT<br>BROUGHT FORWARD               |      |              | <u>697</u>   |              | <u>-</u>     |
| RETAINED PROFIT<br>CARRIED FORWARD               |      |              | <u>3,989</u> |              | <u>697</u>   |

**CONTINUING OPERATIONS**

None of the company's activities were acquired or discontinued during the above two financial years.

**TOTAL RECOGNISED GAINS AND LOSSES**

The company has no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 8 form part of these financial statements.

FORMATION TECHNOLOGIES LIMITEDBALANCE SHEET AT 31ST OCTOBER, 1996

|                                     |      | <u>1996</u>  | <u>1995</u>  |
|-------------------------------------|------|--------------|--------------|
|                                     | Note | £            | £            |
| <b>FIXED ASSETS</b>                 |      |              |              |
| Tangible Assets                     | 6    | 1,728        | 500          |
| <b>CURRENT ASSETS</b>               |      |              |              |
| Debtors                             | 7    | 2,767        | 920          |
| Cash at bank and in hand            |      | <u>1,581</u> | <u>597</u>   |
|                                     |      | 4,348        | 1,517        |
| <b>CREDITORS</b>                    |      |              |              |
| Amounts falling due within one year | 8    | <u>2,085</u> | <u>1,318</u> |
| <b>NET CURRENT ASSETS</b>           |      | <u>2,263</u> | <u>199</u>   |
|                                     |      | <u>3,991</u> | <u>699</u>   |
| <b>CAPITAL &amp; RESERVES</b>       |      |              |              |
| Called up share capital             | 9    | 2            | 2            |
| Profit and Loss Account             | 10   | <u>3,989</u> | <u>697</u>   |
| <b>SHAREHOLDERS FUNDS</b>           | 11   | <u>3,991</u> | <u>699</u>   |

The directors have taken advantage of the special exemptions conferred by Schedule 8 Part 1 of the Companies Act 1985 and have done so on the grounds that in their opinion the company is entitled to these exemptions as a small company under section 247 of the act and is entitled to make use of the special exemptions.

These financial statements were approved by the board of directors on 30 JANUARY 1997 and signed on their behalf by:

.....*Martin Evans*.....*M.H. EVANS*.....  
Director.

The notes on pages 6 to 8 form part of these financial statements.

FORMATION TECHNOLOGIES LIMITEDNOTES TO THE FINANCIAL STATEMENTSFOR THE YEAR ENDED 31ST OCTOBER, 1996**1 ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of the financial statements are set out below.

Cash Flow Statement

The company qualifies as a small company under the Companies Act 1985. The directors have elected to take advantage under FRS1 not to prepare a cash flow statement.

Basis of accounting

The accounts have been prepared in accordance with the historical cost convention and in accordance with section 228 of, and schedule 4 to, the Companies Act 1985.

Depreciation

Depreciation is provided on the cost of tangible fixed assets in order to write off such cost after taking account of scrap values over the expected useful lives as follows:-

|                     |     |
|---------------------|-----|
| Fixtures & Fittings | 20% |
|---------------------|-----|

**2 TURNOVER**

Turnover represents the net amounts, exclusive of Value Added Tax, invoiced during the year by the company, in respect of the supply of computer development services.

**3 OPERATING PROFIT**

This is stated after charging or the following:

|                                       | <u>1996</u> | <u>1995</u> |
|---------------------------------------|-------------|-------------|
|                                       | £           | £           |
| Depreciation of tangible fixed assets | 589         | 125         |
| Auditors' remuneration                | 150         | 150         |



FORMATION TECHNOLOGIES LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST OCTOBER, 1996**5 TAX ON PROFIT ON ORDINARY ACTIVITIES**

|                             | <u>1996</u>  | <u>1995</u> |
|-----------------------------|--------------|-------------|
|                             | £            | £           |
| Corporation tax at 25%      | 1,100        | 370         |
| In respect of prior years:- |              |             |
| Prior Year adjustments      | <u>(4)</u>   | <u>-</u>    |
|                             | <u>1,096</u> | <u>370</u>  |

**6 TANGIBLE FIXED ASSETS**

|                        | <u>Fixtures &amp;<br/>Fittings</u> |
|------------------------|------------------------------------|
|                        | £                                  |
| <u>Cost</u>            |                                    |
| At 1 November 1995     | 625                                |
| Additions              | <u>1,817</u>                       |
| At 31 October 1996     | <u>2,442</u>                       |
| <u>Depreciation</u>    |                                    |
| At 1 November 1995     | 125                                |
| Charge for the year    | <u>589</u>                         |
| At 31 October 1996     | <u>714</u>                         |
| <u>Net Book Amount</u> |                                    |
| At 31 October 1996     | <u>1,728</u>                       |
| At 1 November 1995     | <u>500</u>                         |

**7 DEBTORS**

|  | <u>1996</u>  | <u>1995</u> |
|--|--------------|-------------|
|  | £            | £           |
| <u>Amounts Falling Due Within One Year</u> |              |             |
| Trade debtors                              | <u>2,767</u> | <u>920</u>  |
|  | <u>2,767</u> | <u>920</u>  |

FORMATION TECHNOLOGIES LIMITEDNOTES TO THE FINANCIAL STATEMENTS (CONTINUED)FOR THE YEAR ENDED 31ST OCTOBER, 1996**8 CREDITORS: Amounts falling due within one year**

|                              | <u>1996</u>  | <u>1995</u>  |
|------------------------------|--------------|--------------|
|                              | £            | £            |
| Corporation Tax              | 1,100        | 370          |
| Accruals and Deferred Income | 317          | 280          |
| Directors Loans              | 668          | 668          |
|                              | <u>2,085</u> | <u>1,318</u> |

**9 CALLED UP SHARE CAPITAL**

|                                   | <u>1996</u>  | <u>1995</u>  |
|-----------------------------------|--------------|--------------|
|                                   | £            | £            |
| EQUITY SHARES                     |              |              |
| Authorised:                       |              |              |
| Ordinary Shares of £1 each        | <u>1,000</u> | <u>1,000</u> |
| Allotted called up and fully paid |              |              |
| Ordinary shares of £1 per share   | <u>2</u>     | <u>2</u>     |

At Incorporation 2 ordinary share of £1 each were issued fully paid for cash for £1 each.

**10 RESERVES**

|   | <u>1996</u>  | <u>1995</u> |
|---|--------------|-------------|
|   | £            | £           |
| Profit and loss account brought forward | 697          | -           |
| Profit retained for the year            | <u>3,292</u> | <u>697</u>  |
|   | <u>3,989</u> | <u>697</u>  |

**11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS**

|                                    | <u>1996</u>  | <u>1995</u> |
|------------------------------------|--------------|-------------|
|                                    | £            | £           |
| Profit for the financial year      | <u>3,292</u> | <u>697</u>  |
| New share capital subscribed       | -            | 2           |
| Net movement in shareholders funds | <u>3,292</u> | <u>699</u>  |
| Opening shareholders' funds        | 699          | -           |
| Closing shareholders' funds        | <u>3,991</u> | <u>699</u>  |