

Company Registration No. 3593636 (England and Wales)

**ALCHEMY SYSTEMS INTERNATIONAL LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 1999**



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# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	N.C. Mills	(Appointed 8 July 1998)
	T.W. Phillips	(Appointed 8 July 1998)

<b>Secretary</b>	N.C. Mills
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<b>Company number</b>	3593636
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<b>Registered office</b>	12 Russell Street Windsor Berkshire SL4 1HQ
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<b>Auditors</b>	Morley & Scott Edinburgh House 43-51 Windsor Road Slough Berkshire SL1 2HL
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<b>Business address</b>	12 Russell Street Windsor Berkshire SL4 1HQ
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<b>Bankers</b>	National Westminster Bank plc 12 High Street Windsor Berkshire SL4 1LQ
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# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

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# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

## DIRECTORS' REPORT

**FOR THE PERIOD ENDED 30 JUNE 1999**

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The directors present their report and financial statements for the period ended 30 June 1999.

### Principal activities

The company was incorporated on 7 July 1998 and commenced trading on 8 July 1998.

During the period, Alchemy Systems International Limited changed its accounting reference date from 31 July to 30 June.

The principal activity of the company is that of information technology consultants.

### Year 2000

The company has no systems which could cause a significant impact on the business if they were to fail. Accordingly, the directors have assessed there to be no risks associated with the Year 2000, although it is not possible to guarantee that no Year 2000 problems will remain due to the complexity of the problem.

### Directors

The following directors have held office since 7 July 1998:

N.C. Mills	(Appointed 8 July 1998)
T.W. Phillips	(Appointed 8 July 1998)
R. Virmani	(Appointed 8 July 1998 and resigned 10 December 1998)
Brighton Director Limited	(Appointed 7 July 1998 and resigned 7 July 1998)

### Directors' interests

The directors' beneficial interests in the shares of the company were as stated below:

	Ordinary of £ 1 each	
	30 June 1999	7 July 1998
N.C. Mills	800	-
T.W. Phillips	100	-

### Auditors

Morley & Scott were appointed auditors to the company and in accordance with section 385 of the Companies Act 1985, a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

## DIRECTORS' REPORT

FOR THE PERIOD ENDED 30 JUNE 1999

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### Directors' responsibilities

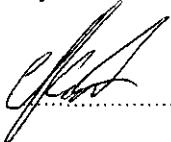
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

  
.....

Secretary

28.5.00.....

# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

## AUDITORS' REPORT TO THE SHAREHOLDERS OF ALCHEMY SYSTEMS INTERNATIONAL LIMITED

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We have audited the financial statements on pages 4 to 10 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

### 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 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 30 June 1999 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

*Morley Scott*

**Morley & Scott**

16 June 2000

Chartered Accountants  
**Registered Auditor**

Edinburgh House  
43-51 Windsor Road  
Slough  
Berkshire  
SL1 2HL

# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 30 JUNE 1999

	Notes	Period ended 30 June 1999 £
Turnover		590,526
Cost of sales		(460,673)
Gross profit		129,853
Administrative expenses		(140,500)
Other operating income		2,250
Operating loss	2	(8,397)
Interest payable and similar charges	3	(133)
Loss on ordinary activities before taxation		(8,530)
Tax on loss on ordinary activities	4	-
Loss on ordinary activities after taxation	11	(8,530)

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.

# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

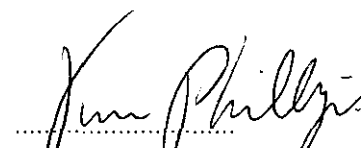
## BALANCE SHEET AS AT 30 JUNE 1999

	Notes	1999 £	£
<b>Fixed assets</b>			
Tangible assets	5		32,370
<b>Current assets</b>			
Stocks		16,917	
Debtors	6	174,535	
Cash at bank and in hand		23,580	
		<u>215,032</u>	
<b>Creditors: amounts falling due within one year</b>	7	(251,782)	
		<u></u>	
<b>Net current liabilities</b>			(36,750)
<b>Total assets less current liabilities</b>			<u>(4,380)</u>
<b>Creditors: amounts falling due after more than one year</b>	8		(3,250)
			<u>(7,630)</u>
<b>Capital and reserves</b>			
Called up share capital	10		900
Profit and loss account	11		(8,530)
			<u></u>
<b>Shareholders' funds - equity interests</b>	12		<u>(7,630)</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.

The financial statements were approved by the Board on 28<sup>th</sup> May 2000

  
N.C. Mills  
Director

  
T.W. Phillips  
Director



# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 1999

### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

#### 1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 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:

Fixtures, fittings & equipment	25% Straight line
Motor vehicles	25% Straight line

#### 1.4 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.5 Stock

Stock is valued at the lower of cost and net realisable value.

#### 1.6 Pensions

The pension costs charged in the financial statements represent the contributions payable by the company during the period in accordance with SSAP 24.

#### 1.7 Deferred taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

### 2 Operating loss

1999

£

Operating loss is stated after charging:

Depreciation of tangible assets	10,792
Operating lease rentals	5,700
Auditors' remuneration	1,500
Directors' emoluments	56,974

The number of directors for whom retirement benefits are accruing under defined benefit schemes amounted to 1.

# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 1999

<b>3</b>	<b>Interest payable</b>	<b>1999</b>
		<b>£</b>
	Interest payable includes:	
	Hire purchase interest	99
		<u>99</u>

### 4 Taxation

The company has losses available for carry forward against future trading profits.

### 5 Tangible fixed assets

	<b>Plant and machinery etc £</b>
<b>Cost</b>	
At 7 July 1998	-
Additions	43,162
	<u>43,162</u>
At 30 June 1999	43,162
<b>Depreciation</b>	
At 7 July 1998	-
Charge for the period	10,792
	<u>10,792</u>
At 30 June 1999	10,792
<b>Net book value</b>	
At 30 June 1999	<u>32,370</u>

Included above are assets held under finance leases or hire purchase contracts as follows:

	<b>Motor vehicles £</b>
<b>Net book values</b>	
At 30 June 1999	<u>4,875</u>
<b>Depreciation charge for the period</b>	
30 June 1999	<u>1,625</u>

# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 1999

<b>6 Debtors</b>	<b>1999</b>
	<b>£</b>
Trade debtors	158,623
Other debtors	15,912
	<u>174,535</u>
<b>7 Creditors: amounts falling due within one year</b>	<b>1999</b>
	<b>£</b>
Net obligations under hire purchase contracts	2,600
Trade creditors	166,350
Taxation and social security	21,493
Other creditors	61,339
	<u>251,782</u>
<b>8 Creditors: amounts falling due after more than one year</b>	<b>1999</b>
	<b>£</b>
Net obligations under hire purchase contracts	<u>3,250</u>
<b>Net obligations under hire purchase contracts</b>	
Repayable within one year	2,898
Repayable between one and five years	3,747
	<u>6,645</u>
Finance charges and interest allocated to future accounting periods	(795)
	<u>5,850</u>
Included in liabilities falling due within one year	(2,600)
	<u>3,250</u>

### 9 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £2,245.

# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 1999

<b>10</b>	<b>Share capital</b>	<b>1999</b>
		<b>£</b>
	<b>Authorised</b>	
	1,000 Ordinary of £ 1 each	1,000
		<hr/>
	<b>Allotted, called up and fully paid</b>	
	900 Ordinary of £ 1 each	900
		<hr/>

### 11 Statement of movements on profit and loss account

**Profit and  
loss account**  
**£**

Retained loss for the period (8,530)

### 12 Reconciliation of movements in shareholders' funds

**1999**  
**£**

Loss for the financial period (8,530)

Proceeds from issue of shares 900

Net depletion in shareholders' funds (7,630)

Opening shareholders' funds -

Closing shareholders' funds (7,630)

### 13 Financial commitments

At 30 June 1999 the company had annual commitments under non-cancellable operating leases as follows:

**Land and  
buildings**  
**1999**  
**£**

Expiry date:

Between two and five years 24,000

# ALCHEMY SYSTEMS INTERNATIONAL LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 JUNE 1999

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### 14 Transactions with directors

The following directors had interest free loans during the period. The movement on these loans are as follows:

	Amount outstanding 1999 £	Maximum in period £
N. Mills	12,800	16,658
T. Phillips	40	40

### 15 Control

During the year Alchemy Systems International Limited was under the control of the directors.

### 16 Related party transactions

N.C. Mills, a director and majority shareholder of Alchemy Systems International Limited, has personally guaranteed the company's borrowings with its bank, National Westminster Bank plc to a maximum of £9,000.

During the year Alchemy Systems International Limited paid commissions of £8,620 and £4,352 to N C Mills and T W Phillips respectively.