

CODEMIST LIMITED
COMPANY NUMBER 2197915
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30 APRIL 1997



CODEMIST LIMITED

REPORT AND FINANCIAL STATEMENTS

30 APRIL 1997

DIRECTORS

J.P. Fitch
A. Mycroft
A.C. Norman

SECRETARY

A.M. Fitch

REGISTERED OFFICE

'Alta'
Horsecombe Vale
Combe Down
Bath

AUDITORS

Robson Taylor
Charter House
The Square
Lower Bristol Road
Bath

BANKERS

Barclays Bank Plc
37 Milsom Street
Bath

CODENIST LIMITED

REPORT OF THE DIRECTORS

The directors have pleasure in presenting their report, together with the financial statements of the company for the year ended 30 April 1997.

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:

1. Select suitable accounting policies and then apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. 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.

PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity during the year continued to be the development and sales of computer application and utility packages.

It also provides consultancy services to a broad range of clients.

The trend of increasing turnover is expected to be sustained for the foreseeable future.

RESULTS AND APPROPRIATIONS

The profit for the year after taxation was £33,528.

A dividend of £39,000 has been paid and the balance of loss of £5,472 will be set off against reserves.

FIXED ASSETS

The movements in tangible fixed assets during the year are set out in note 8 to the financial statements.

DIRECTORS AND DIRECTORS' INTERESTS

The directors and their beneficial interests in the share capital of the company throughout the year were:-

	£1 ordinary shares
J.P. Fitch	200
A. Mycroft	200
A.C. Norman	200

CODENIST LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

The auditors, Robson Taylor, have indicated their willingness to continue in office, and a resolution for their reappointment will be submitted to the annual general meeting.

By Order of the Board

X *Audrey Fitch* X

A.M. Fitch
Secretary

'Alta'
Horsecombe Vale
Combe Down
Bath

4 August 1997

CODEMIST LIMITED

REPORT OF THE AUDITORS

TO THE MEMBERS

We have audited the financial statements on pages 4 to 9 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 1 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 30 April 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Robson Taylor
Registered Auditors
Bath,
8 August 1997

CODEMIST LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 30 APRIL 1997**

	Notes	1997 £	1996 £
TURNOVER FROM CONTINUING OPERATIONS	2	59,281	48,490
Cost of sales		(2,532)	(2,381)
GROSS PROFIT		56,749	46,109
Administrative expenses		(14,680)	(17,927)
OPERATING PROFIT FROM CONTINUING OPERATIONS		42,069	28,182
Profit on disposal of fixed asset		-	170
Interest receivable and similar income	3	1,692	1,363
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	43,761	29,715
Taxation	6	(10,233)	(7,565)
PROFIT FOR THE FINANCIAL YEAR		33,528	22,150
Dividends	7	(39,000)	(19,200)
TRANSFER TO RESERVES		(5,472)	2,950
STATEMENT OF RETAINED PROFITS			
Retained profits at 1 May 1996		34,393	31,443
Retained profit for the year		(5,472)	2,950
RETAINED PROFITS AT 30 APRIL 1997		28,921	34,393

In each of the years ended 30 April 1997 and 30 April 1996 the only gain or loss recognised by the company was the result for the year.

The reported profit was found under the historical cost convention.

The notes on pages 6 to 9 form part of these financial statements.

CODEMIST LIMITED

BALANCE SHEET

30 APRIL 1997

	Notes	1997 £	1996 £
FIXED ASSETS			
Tangible assets	8	1,960	4,576
CURRENT ASSETS			
Stocks	9	500	800
Debtors	10	8,046	13,387
Cash		24,762	26,297
		<u>33,308</u>	<u>40,484</u>
CREDITORS: amounts falling due within one year	11	<u>(3,510)</u>	<u>(7,830)</u>
NET CURRENT ASSETS		<u>29,798</u>	<u>32,654</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u><u>31,758</u></u>	<u><u>37,230</u></u>
CAPITAL AND RESERVES			
Called up share capital	12	600	600
Share premium		2,237	2,237
Profit and loss account		<u>28,921</u>	<u>34,393</u>
SHAREHOLDERS' FUNDS ATTRIBUTABLE TO EQUITY INTERESTS	14	<u><u>31,758</u></u>	<u><u>37,230</u></u>

Approved by the board on 4 Aug 97

DIRECTORS

X *John Fitch*
J.P. Fitch
X *A. Mycroft*
A. Mycroft

The notes on pages 6 to 9 form part of these financial statements.

CODEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS

30 APRIL 1997

1. ACCOUNTING POLICIES

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

The principal accounting policies of the company are set out below.

1.a STOCK

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

1.b DEPRECIATION OF TANGIBLE ASSETS

Depreciation is calculated to write off the cost of fixed assets over their expected useful lives by the straight line method at the following rate per annum:

Computer equipment	33.33%
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1.c DEFERRED TAXATION

Provision for deferred taxation is made at the appropriate rates in respect of all material timing differences only to the extent that, in the opinion of the directors, there is reasonable probability that an asset or liability will crystallise in the foreseeable future.

1.d FOREIGN CURRENCY TRANSACTIONS

Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to the profit and loss account.

1.e CASH FLOW STATEMENT

In accordance with the exemptions offered to small companies by Financial Reporting Standard 1, the company does not present a cash flow statement.

2. TURNOVER

Turnover represents the amounts derived from the provision of goods and services during the year after the deduction of trade discounts and value added tax.

3. INTEREST RECEIVABLE AND SIMILAR INCOME

	1997	1996
	£	£
Bank interest	1,692	1,363

CODEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 APRIL 1997

4. STAFF NUMBER AND COSTS	1997	1996
The average number of employees of the company (including directors) during the year was:	<u>4</u>	<u>4</u>
The aggregate payroll costs were as follows:	£	£
Wages and salaries	<u>3,175</u>	<u>3,000</u>
 5. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	 1997	 1996
	£	£
Profit on ordinary activities before taxation is stated after charging the following:		
Auditors' remuneration	570	550
Depreciation of owned assets	<u>2,866</u>	<u>6,258</u>
 6. TAXATION	 1997	 1996
	£	£
Tax on profit on ordinary activities		
The taxation charge is based on the profit for the year and is made up as follows:		
U.K corporation tax at 24%	10,257	7,562
Adjustments in respect of prior years:		
Corporation tax	<u>(24)</u>	<u>3</u>
	<u>10,233</u>	<u>7,565</u>
 7. DIVIDENDS	 1997	 1996
	£	£
Dividend paid:		
£65 per share (1996: £32)	<u>39,000</u>	<u>19,200</u>

CODEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 APRIL 1997

8. TANGIBLE FIXED ASSETS

	Computer equipment
	£
COST	
At 1 May 1996	51,728
Additions	250
Disposals	(11,813)
	<hr/>
At 30 April 1997	40,165
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DEPRECIATION	
At 1 May 1996	47,152
Charge for year	2,866
Disposals	(11,813)
	<hr/>
At 30 April 1997	38,205
	<hr/>
NET BOOK VALUE	
At 30 April 1997	1,960
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At 30 April 1996	4,576
	<hr/>

9. STOCKS

	1997	1996
	£	£
Finished goods	500	800
	<hr/>	<hr/>

10. DEBTORS

	1997	1996
	£	£
Trade debtors	6,217	12,887
Advance corporation tax	1,174	-
Prepayments and accrued income	655	500
	<hr/>	<hr/>
	8,046	13,387
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CODEMIST LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

30 APRIL 1997

11. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR	1997	1996
	£	£
Corporation tax	1,182	2,762
Other taxes and social security	888	3,668
Accruals and deferred income	1,440	1,400
	<u>3,510</u>	<u>7,830</u>
	<u><u>3,510</u></u>	<u><u>7,830</u></u>
 12. CALLED UP SHARE CAPITAL	 1997	 1996
	£	£
Authorised:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
	<u><u>1,000</u></u>	<u><u>1,000</u></u>
Allotted, issued and fully paid:		
600 ordinary shares of £1 each	<u>600</u>	<u>600</u>
	<u><u>600</u></u>	<u><u>600</u></u>
 13. CAPITAL COMMITMENTS		
There were no capital commitments at the balance sheet date.		
 14 . RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	 1997	 1996
	£	£
Profit for the financial year	33,528	22,150
Dividends	(39,000)	(19,200)
	<u>(5,472)</u>	<u>2,950</u>
Net reduction in shareholders' funds	37,230	34,280
Opening shareholders' funds	<u>37,230</u>	<u>34,280</u>
	<u><u>31,758</u></u>	<u><u>37,230</u></u>
Closing shareholders' funds	<u><u>31,758</u></u>	<u><u>37,230</u></u>

CODEMIST LIMITED
DETAILED OPERATING STATEMENT
YEAR ENDED 30 APRIL 1997

	Notes	1997 £	1996 £
TURNOVER		59,281	48,490
COST OF SALES	1	(2,532)	(2,381)
GROSS PROFIT		<u>56,749</u>	<u>46,109</u>
Administrative expenses	2	(10,934)	(9,885)
Other expenses	3	(3,746)	(8,042)
OPERATING PROFIT		<u>42,069</u>	<u>28,182</u>
Profit on disposal of fixed asset		-	170
Interest receivable and similar income	4	1,692	1,363
NET PROFIT ON ORDINARY ACTIVITIES		<u><u>43,761</u></u>	<u><u>29,715</u></u>