

**CUSTOMER SYSTEMS LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

31 JANUARY 1999

Company no 3509265

# CUSTOMER SYSTEMS LIMITED

## FINANCIAL STATEMENTS

For the period ended 31 January 1999

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Company registration number:	3509265
Registered office:	35 Murray Court Ascot Berks SL5 9BP
Director:	Mr S N Austen
Secretary:	Mr R J Austen
Bankers:	Barclays Bank PO Box 631 19 High Street Ascot Berks SL5 7LB
Auditors:	Grant Thornton Registered auditors Chartered accountants Edinburgh House Windsor Road Slough SL1 2EE

# **CUSTOMER SYSTEMS LIMITED**

## **FINANCIAL STATEMENTS**

For the period ended 31 January 1999

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# CUSTOMER SYSTEMS LIMITED

## REPORT OF THE DIRECTOR

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The director presents his report together with financial statements for the period ended 31 January 1999. The company was incorporated on 12 February 1998 and started trading on 16 July 1998.

### Principal activities

The company is principally engaged in the provision of IT services.

### Business review

The company's first period of operation has been successful and demand for the company's services has been strong.

There was a profit for the period after taxation amounting to £29,253. The director does not recommend payment of a dividend and the profit has therefore been transferred to reserves.

### Year 2000

Many computer systems which express dates using only the two last digits of the year may malfunction due to the date change to the Year 2000. This risk to the business relates not only to the company's computer systems, but also to some degree on those of our customers and suppliers.

Computer systems which are critical to the running of the business have been tested to determine the effect of the year 2000 changeover. No problems were discovered and no significant disruption is anticipated as a result of the millennium change.

### Director

The present membership of the Board is set out below. The director served throughout the period.

The interests of the director and his family in the shares of the company as at 31 January 1999 was as follows:

	<b>Ordinary shares 31 January 1999</b>
Mr S N Austen	<b>51,001</b>

### Director's responsibilities for the financial statements

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 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 director is responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **CUSTOMER SYSTEMS LIMITED**

## **REPORT OF THE DIRECTOR**

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### **Auditors**

Grant Thornton were appointed as first auditors to the company on 29 January 1999.

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

**S N Austen**

Director

26 April 1999

**REPORT OF THE AUDITORS TO THE MEMBERS OF  
CUSTOMER SYSTEMS LIMITED**

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

**Respective responsibilities of the director and auditors**

As described on page 1 the company's director is 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 United Kingdom 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 director 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 31 January 1999 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

SLOUGH  
28 April 1999

# **CUSTOMER SYSTEMS LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

The financial statements have been prepared under the historical cost convention.

### **TURNOVER**

Turnover is the total amount receivable by the company for services provided, excluding VAT and trade discounts.

### **DEPRECIATION**

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Motor vehicles	25%
Computer equipment	33 - 50%

### **DEFERRED TAXATION**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

### **CONTRIBUTIONS TO PENSION FUNDS**

The pension costs charged against profits represent the amount of the contributions payable to the individual employees' schemes in respect of the accounting period.

# CUSTOMER SYSTEMS LIMITED

## PROFIT AND LOSS ACCOUNT

For the period ended 31 January 1999

	Note	1999 £
<b>Turnover</b>	1	<b>343,741</b>
Gross profit		<b>343,741</b>
Administrative expenses		<b>(307,027)</b>
<b>Operating profit</b>		<b>36,714</b>
Other interest receivable and similar income		<b>548</b>
<b>Profit on ordinary activities before taxation</b>	1	<b>37,262</b>
Tax on profit on ordinary activities	3	<b>(8,009)</b>
<b>Profit transferred to reserves</b>	9	<b>29,253</b>

There were no other recognised gains or losses other than the profit for the financial period.

The accompanying accounting policies and notes form an integral part of these financial statements.

# CUSTOMER SYSTEMS LIMITED

## BALANCE SHEET AT 31 JANUARY 1999

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	Note	1999 £
<b>Fixed assets</b>		
Tangible assets	4	34,469
<b>Current assets</b>		
Debtors	5	112,814
Cash at bank and in hand		99,001
		<hr/> 211,815
<b>Creditors: amounts falling due within one year</b>	6	<hr/> (85,961)
<b>Net current assets</b>		<hr/> 125,854
<b>Total assets less current liabilities</b>		160,323
<b>Creditors: amounts falling due after more than one year</b>	7	<hr/> (66,059)
		<hr/> <hr/> 94,264
<b>Capital and reserves</b>		
Called up share capital	8	51,011
Share premium account	9	14,000
Profit and loss account	9	29,253
<b>Shareholders' funds</b>	10	<hr/> <hr/> 94,264

The financial statements were approved by the Board of Directors on 26 April 1999

S N Austen

Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# CUSTOMER SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 January 1999

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### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The profit on ordinary activities is stated after:

	1999 £
Auditors' remuneration	3,500
Depreciation of tangible fixed assets, owned	7,802
	<u>11,302</u>

### 2 DIRECTOR AND EMPLOYEES

Staff costs during the period were as follows:

	1999 £
Wages and salaries	151,588
Social security costs	15,370
Other pension costs	3,806
	<u>170,764</u>

The average number of employees of the company during the period was 5.

Included in the above is director's remuneration of £57,000.

### 3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the period and represents:

	1999 £
UK Corporation tax at 21%	8,009
	<u>8,009</u>

# CUSTOMER SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 January 1999

### 4 TANGIBLE FIXED ASSETS

	Motor vehicles £	Computer equipment £	Total £
Cost			
At 12 February 1998	-	-	-
Additions	21,407	20,864	42,271
At 31 January 1999	21,407	20,864	42,271
Depreciation			
At 12 February 1998	-	-	-
Provided in the period	2,388	5,414	7,802
At 31 January 1999	2,388	5,414	7,802
Net book amount at 31 January 1999	<b>19,019</b>	<b>15,450</b>	<b>34,469</b>

### 5 DEBTORS

	1999 £
Trade debtors	103,746
Prepayments and accrued income	9,068
	<b>112,814</b>

### 6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £
Corporation tax	8,009
Social security and other taxes	60,265
Other creditors	8,646
Accruals and deferred income	9,041
	<b>85,961</b>

### 7 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1999 £
Loan from director due within one and two years from the balance sheet date	<b>66,059</b>

# CUSTOMER SYSTEMS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 31 January 1999

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### 8 SHARE CAPITAL

	1999 £
Authorised £1 ordinary shares	<u>100,000</u>
Allotted, called up and fully paid £1 ordinary shares	<u>51,011</u>

Allotments during the period

The company made a total allotment of 51,009 ordinary £1 shares during the year. The difference of £14,000 between the total consideration of £65,009 and the aggregate nominal value of £51,009 has been credited to the share premium account.

Contingent rights to the allotment of shares

The company has granted options in respect of ordinary shares with a nominal value of £4,300.

1,900 of these options are exercisable at a price of £1 per share between 1 September 1998 and 1 May 2001.

1,200 of these options are exercisable at a price of £2 per share between 1 December 1998 and 1 June 2001.

1,200 of these options are exercisable at a price of £5 per share between 1 April 1999 and 1 November 2001.

### 9 SHARE PREMIUM ACCOUNT AND RESERVES

	Share premium account £	Profit and loss account £
At 12 February 1998	-	-
Retained profit for the period	-	29,253
Premium on allotment during the period	14,000	-
At 31 January 1999	<u>14,000</u>	<u>29,253</u>

### 10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £
Profit for the financial period	29,253
Issue of shares	65,009
Net increase in shareholders' funds	<u>94,262</u>
Shareholders' funds at 12 February 1998	2
Shareholders' funds at 31 January 1999	<u>94,264</u>

# **CUSTOMER SYSTEMS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 31 January 1999

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### **11 CONTINGENT LIABILITIES**

There were no contingent liabilities at 31 January 1999 or 12 February 1998.

### **12 CAPITAL COMMITMENTS**

The company had no capital commitments at 31 January 1999 or 12 February 1998.

### **13 TRANSACTIONS WITH THE DIRECTOR**

At 31 January 1999, Customer Systems Limited owed Steve Austen, the sole director, £66,059 as disclosed in note 7.