

# **PRESTIGE SYSTEMS PLC**

**Director's Report and Consolidated Financial Statements**

**For the year ended 31 March 2001**



Company No: 2323320

## **PRESTIGE SYSTEMS PLC**

### **Company Information**

Directors J A Dawson  
E D A Dawson  
R J Gould (resigned 18.9.00)  
J Tully (from 1.6.00)  
D Cleary (from 1.6.00)

Secretary K J Grainger

Head Office Lygon Court  
Hereward Rise  
Halesowen  
West Midlands  
B62 8AN

Registered Office 7 Centre Court  
Vine Lane  
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West Midlands  
B63 3EB

Auditors Burnley and Evans  
Registered Auditor and  
Chartered Accountants  
7 Centre Court  
Vine Lane  
Halesowen  
West Midlands  
B63 3EB

**Bankers** **National Westminster Bank PLC**  
2 Hagley Road  
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# PRESTIGE SYSTEMS PLC

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# PRESTIGE SYSTEMS PLC

## Directors' Report for the year ended 31 March 2001

The directors present their report and the financial statements for the year ended 31 March 2001.

### Principal activities and review of the business

The company's principal activity continues to be the supply of computer systems.

On 12 July 2000 the company acquired the whole of the share capital of Prestige Data Services Limited for £2. The results of this subsidiary from the date of the acquisition are reflected in the profit and loss account on page 4. Prestige Data Services Ltd was previously a dormant company.

The results for the year are set out on page 4.

### Dividends

An interim dividend of NIL was paid during the year.

The directors do not recommend a final dividend.

### Directors

The directors who served during the year and their beneficial interests in the company's and other group companies' issued ordinary share capital were:

	Prestige Systems PLC		Prestige Data Services Ltd	
	31 March 2001	31 March 2000	31 March 2001	31 March 2000
J A Dawson Ordinary shares of 10p each	250,000	250,000	-	1
E D A Dawson Ordinary shares of 10p each	250,000	250,000	-	1
R J Gould (resigned 18.9.00)		-		
J Tully (from 1.6.00)	-			
D Cleary (from 1.6.00)	-			

# PRESTIGE SYSTEMS PLC

## Directors' Report for the year ended 31 March

### 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 the group and of the profit or loss of the group 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 was approved by the board on 17 OCTOBER 2001 and signed on behalf of the directors.



K J GRAINGER – Secretary

# PRESTIGE SYSTEMS PLC

## Auditors' Report to the Members of Prestige Systems PLC

We have audited the financial statements on pages 4 to 22, which have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 8 and 9.

### 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.

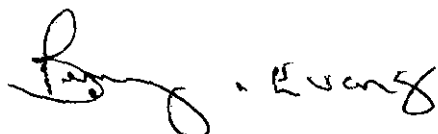
### Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Boards. 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 affairs of the company and the group at 31 March 2001 and of the profit for the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BURNLEY & EVANS  
Registered Auditor and  
Chartered Accountants  
7 Centre Court  
Vine Lane  
Halesowen  
B63 3EB

18 October 2001

# PRESTIGE SYSTEMS PLC

## Consolidated Profit and Loss Account for the year ended 31 March 2001

	Notes	2001 £	2001 £	2000 £
<b>Turnover</b>				
Continuing operations	2	11,169,112		7,023,922
Acquisitions	2	<u>413,669</u>		<u>-</u>
		11,582,781		7,032,922
Discontinued Operations	2	-		-
			11,582,781	7,023,922
Cost of Sales	3		<u>8,751,011</u>	<u>5,239,139</u>
<b>Gross Profit</b>			<u>2,831,770</u>	<u>1,784,783</u>
Administrative expenses	3		( 2,637,458 )	( 2,034,551 )
Amount written off – investments			( 44,550 )	-
<b>Group operating profit (loss)</b>				
Continuing operations	4	367,193		( 249,768 )
Acquisitions	4	( 217,431 )		
Discontinued operations	4	<u>-</u>		<u>-</u>
			149,762	( 249,768 )
<b>Profit (loss) on ordinary activities before interest payable</b>			149,762	( 249,768 )
Interest recoverable (Group)			10,041	20,796
Interest payable (group)	7		( <u>14,634</u> )	( <u>2,822</u> )
<b>Profit (loss) on ordinary activities before taxation</b>			145,169	( 231,794 )
Tax on profit on ordinary activities	8		( <u>79,916</u> )	( <u>65,074</u> )
<b>Profit (loss) on Ordinary activities after taxation</b>			65,253	( 166,720 )
Minority interests			<u>49,743</u>	<u>-</u>
<b>Profit (loss) for the financial year attributable to the members of the parent company</b>	9		114,996	( 166,720 )
Dividend	10		<u>-</u>	<u>-</u>
<b>Retained (loss) for the year</b>	20		<u>114,996</u>	( <u>166,720</u> )

There were no recognised gains or losses other than those included in the Profit and Loss Account.

The notes of pages 8 – 22 form part of these financial statements

# PRESTIGE SYSTEMS PLC

## Consolidated Balance Sheet as at 31 March 2001

	Notes	2001 £	2000 £
<b>Fixed Assets</b>			
Tangible Assets	11	190,832	236,904
Investments	12	<u>-</u>	<u>45,000</u>
		190,832	281,904
<b>Current Assets</b>			
Stocks	13	17,476	154,307
Debtors	14	1,096,263	1,869,432
Cash at bank and in hand		<u>1,753,856</u>	<u>296,057</u>
		2,867,595	2,319,796
<b>Creditors</b> amount falling due within one year	15	( <u>1,959,371</u> )	( <u>1,715,620</u> )
<b>Net current assets (liabilities)</b>		<u>908,224</u>	<u>604,176</u>
<b>Total assets less current liabilities</b>		1,099,056	886,080
<b>Creditors:</b> amounts falling due after more than one year	16	( <u>165,578</u> )	( <u>27,855</u> )
<b>Provisions for liabilities and charges</b>	17	<u>-</u>	<u>-</u>
<b>Equity minority interests</b>		<u>39,743</u>	<u>-</u>
		<u>973,221</u>	<u>858,225</u>
<b>Capital and reserves</b>			
Called up share capital	18	50,000	50,000
Share premium account	19	-	-
Revaluation reserve	19	-	-
Profit and loss account	19	<u>923,221</u>	<u>808,225</u>
<b>Equity shareholders' funds</b>	20	<u>973,221</u>	<u>858,225</u>

Approved by the board of directors on 17 October 2001 and signed on its behalf.

  
J A DAWSON - Director

  
E D A DAWSON - Director

The notes on pages 8 - 22 form part of these financial statements




# PRESTIGE SYSTEMS PLC

## Parent Company Balance Sheet 31 March 2001

	Notes	2001 £	2000 £
<b>Fixed Assets</b>			
Tangible assets	11	145,907	236,904
Investments	12	<u>20,000</u>	<u>45,000</u>
		165,907	281,904
<b>Current Assets</b>			
Stocks	13	17,476	154,207
Debtors	14	1,211,101	1,869,432
Cash at bank and in hand		<u>1,691,157</u>	<u>296,057</u>
		2,920,534	2,319,796
<b>Creditors</b> amount falling due within one year	15	( <u>1,988,156</u> )	( <u>1,715,620</u> )
<b>Net current assets (liabilities)</b>		<u>932,378</u>	<u>604,176</u>
<b>Total assets less current liabilities</b>		1,098,285	886,080
<b>Creditors:</b> amounts falling due after more than one year	16	( <u>25,578</u> )	( <u>27,855</u> )
<b>Provisions for liabilities and charges</b>	17	<u>—</u>	<u>—</u>
		<u>1,072,707</u>	<u>858,225</u>
<b>Capital and reserves</b>			
Called up share capital	18	50,000	50,000
Share premium account	19	—	—
Revaluation reserve	19	—	—
Profit and loss account	19	<u>1,022,707</u>	<u>808,225</u>
<b>Equity shareholders' funds</b>	20	<u>1,072,707</u>	<u>858,225</u>

Approved by the board of directors on 11 October 2001 and signed on its behalf.

  
J A DAWSON - Director

  
E D A DAWSON - Director

The notes on pages 8 – 22 form part of these financial statements

# PRESTIGE SYSTEMS PLC

## Cashflow Statement for the year ended 31 March 2001

### Reconciliation of operating profit to net cash inflow from operating activities

	2001 £	2000 £
Operating profit	149,762	( 249,768 )
Disposal (profit) loss	44,550	( 15,222 )
Depreciation charges	103,171	97,417
(Increase) decrease in stocks	136,831	( 69,007 )
(Increase) decrease in debtors	707,801	17,802
Increase (decrease) in creditors	<u>162,645</u>	<u>366,311</u>
<b>Net cash inflow from continuing operations</b>	<b><u>1,304,760</u></b>	<b><u>147,533</u></b>

### CASH FLOW STATEMENT

	Notes	2001 £	2000 £
Net cash flow from operating activities		1,304,760	147,533
Dividends received from associate		-	-
Returns on investments and servicing of finance	29	( 4,593 )	17,974
Taxation		66,559	( 224,276 )
Capital Expenditure	29	( 57,098 )	( 104,584 )
Investments		450	( 45,000 )
Acquisitions and disposals	29	( 2 )	-
Equity dividends paid		-	-
		1,310,076	( 208,353 )
<b>Management of liquid resources</b>		-	-
Financing	29	<u>147,723</u>	<u>27,855</u>
Increase (decrease) in cash	30	<u>1,457,799</u>	( <u>180,498</u> )

	2001 £	2000 £
<b>Reconciliation of net cash flow to movement in net funds (note 30)</b>		
Increase (decrease) in cash in the period	1,457,799	( 180,498 )
Cash inflow from increase in loan debt	( 140,000 )	-
Finance leases over 12 months	<u>2,277</u>	<u>27,855</u>
Change in net debt	1,320,076	( 208,353 )
Net funds at 1 April	<u>268,202</u>	<u>476,555</u>
Net funds at 31 March	<u>1,588,278</u>	<u>268,202</u>

The notes on pages 8 to 22 form part of these financial statements

# **PRESTIGE SYSTEMS PLC**

## **Notes to the consolidated financial statements for the year ended 31 March 2001**

### **1 Accounting Policies**

#### **1.1 Basis of preparation of accounts**

The financial statements are prepared under the historical cost convention.

#### **1.2 Basis of consolidation**

The consolidated financial statements include the results of Prestige Systems PLC and its subsidiary undertaking drawn up to 31 March 2001. No profit and loss account for the company has been presented for Prestige Systems PLC as permitted by section 230 of the Companies Act 1985.

The consolidated profit and loss account includes the results of Prestige Data Services Ltd for the period from its acquisition.

#### **1.3 Turnover**

Turnover comprises the invoiced value of goods and services supplied by the group, net of Value Added Tax and trade discounts

#### **1.4 Goodwill**

Goodwill on acquisitions will be capitalised and amortised over its useful economic life.

#### **1.5 Tangible fixed assets and depreciation**

All tangible fixed assets are initially recorded at cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the costs or valuation, less their estimated residual value, over their expected useful lives on the following bases:

Motor vehicles	25% Straight line basis
Office equipment	25% Straight line basis
Office software	33% Straight line basis
In house computers	33% Straight line basis

Any impairment in value is charged to the revaluation reserve, profit and loss account appropriate.

#### **1.6 Leasing and hire purchase**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets and depreciated over the shorter of the lease term and their useful lives, or in the case of assets held under hire purchase agreements over their useful economic life. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Group. 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.

# PRESTIGE SYSTEMS PLC

## Notes to the consolidated financial statements for the year ended 31 March 2001

### 1.7 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

### 1.8 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

### 1.9 Research and development

Expenditure on research and development is written off in the year that it is incurred.

### 1.10 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

### 1.11 Deferred taxation

Provision is made for taxation as a result of material timing differences between the incidence of income and expenditure for taxation and accounts purposes, 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 near future.

### 1.12 Pensions

The group operates a defined contribution pension scheme and the pension charge represents the amounts payable by the group to the fund in respect of the year.

## 2 Turnover

The whole of the turnover and profit before taxation from continuing activities is attributable to the supply of computer systems. A geographical analysis of turnover is as follows:

	2001	2000
	£	£
United Kingdom	11,578,332	7,015,928
European Union	3,759	874
USA	690	4,914
Rest of the World	<u>      </u>	<u>2,205</u>
	<u>11,582,781</u>	<u>7,023,921</u>

## PRESTIGE SYSTEMS PLC

### Notes to the consolidated financial statements for the year ended 31 March 2001

#### 3. Operating costs and income

	2001 Continuing £	2000 Continuing £
Cost of Sales	8,751,011	5,239,139
Administrative expenses	2,669,888	2,034,551

The following amounts were included within continuing activities in relation to acquisitions during the period:

	2001 £
Cost of sales	91,549
Administration expenses	395,645
Management charge: Prestige Systems PLC	149,964

#### 4. Operating profit

	2001 £	2000 £
Operating profit is after charging		
Depreciation of tangible fixed assets		
- owned by the company	77,493	87,479
- held under finance leases and hire purchase contracts	25,677	9,938
Operating lease rentals		
- land and buildings	55,662	52,511
- plant and machinery	3,574	10,673
- vehicles	81,494	93,787
Auditors remuneration	11,400	6,738
Interest element of finance leases	2,653	1,518

# PRESTIGE SYSTEMS PLC

## Notes to the consolidated financial statements for the year ended 31 March 2001

### 5. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2001 £	2000 £
Wages and salaries	1,713,308	1,209,956
Social security costs	206,566	140,064
Other pension costs	<u>6,366</u>	<u>5,577</u>
	<u>1,926,240</u>	<u>1,355,597</u>

The average monthly number of employees, including directors, during the year was as follows:

	2001	2000
Office and administration	8	7
Sales	<u>25</u>	<u>32</u>
	<u>33</u>	<u>39</u>

### 6. Directors' remuneration

	2001 £	2000 £
Emoluments for services as directors	774,866	186,965
Pension contributions paid to accrue money		
Purchase benefits	<u>5,557</u>	<u>5,557</u>
	<u>780,423</u>	<u>192,522</u>

Included in the above are emoluments of £419,782 (2000 £79,560) pension contributions £5,557 (2000 £5,557) paid to the highest paid director.

# PRESTIGE SYSTEMS PLC

## Notes to the consolidated financial statements for the year ended 31 March 2001

### 7. Interest payable

	2001 £	2000 £
On bank loans and overdrafts	11,981	1,304
Finance leases and hire purchase contracts	<u>2,653</u>	<u>1,518</u>
	<u>14,634</u>	<u>2,822</u>

### 8. Taxation

	2001 £	2000 £
<b>UK current year taxation</b>		
UK corporation tax at 55.9% (2,000 36.5%)	81,105	( 84,656 )
Transfer to (from) deferred taxation	<u>-</u>	<u>-</u>
	81,105	( 84,656 )
<b>Prior years</b>		
UK Corporation tax	( 1,189 )	<u>19,582</u>
	79,916	( 65,074 )

The corporation tax liability is reduced by consortium relief £68,202.

### 9. Profit attributable to the members of the parent company

The profit (loss) dealt with in the accounts of the parent company amounted to £214,482 (2000 loss £166,720).

### 10. Equity Dividends

	2001 £	2000 £
Interim dividend on the 10p ordinary shares	-	-
Final dividend on the 10p ordinary shares	-	-

# PRESTIGE SYSTEMS PLC

## Notes to the consolidated financial statements for the year ended 31 March 2001

### 11 Tangible Fixed Assets

<u>Group</u>	Motor Vehicles	Office Fixtures Fittings Equipment	Office Software	Total
<u>Costs</u>				
At 1 April 2000	133,708	310,881	37,133	481,722
Additions	-	73,424	4,050	77,474
Disposals	( 18,000 )	( 27,249 )	-	( 45,249 )
At 31 March 2001	<u>115,708</u>	<u>357,056</u>	<u>41,183</u>	<u>513,947</u>
<u>Depreciation</u>				
At 1 April 2000	26,809	191,426	26,583	244,818
Charge for the period	30,010	64,169	8,991	103,170
Disposals	( 18,000 )	( 6,873 )	-	( 24,873 )
At 31 March 2001	<u>38,819</u>	<u>248,722</u>	<u>35,574</u>	<u>323,115</u>
<u>Net Book Value</u>				
At 31 March 2001	76,889	108,334	5,609	190,832
At 31 March 2000	106,899	119,455	10,550	236,904

The net book value of fixed assets includes assets held under finance leases or hire purchase contracts amounting to £ 70,750 (2000 £96,427).



# PRESTIGE SYSTEMS PLC

## Notes to the consolidated financial statements for the year ended 31 March 2001

### 11. Tangible fixed assets (continued)

#### Company

	Motor Vehicles	Office Fixtures Fittings Equipment	Office Software	Total
<u>Costs</u>				
At 1 April 2000	133,708	310,881	37,133	481,722
Additions	-	19,210	4,050	23,260
Disposals	( 18,000 )	( 27,249 )	-	( 45,249 )
At 31 March 2001	<u>115,708</u>	<u>302,842</u>	<u>41,183</u>	<u>459,733</u>
<u>Depreciation</u>				
At 1 April 2000	26,809	191,426	26,583	244,818
Charge for the period	30,010	54,880	8,991	93,881
Disposals	( 18,000 )	( 6,873 )	-	( 24,873 )
At 31 March 2001	<u>38,819</u>	<u>239,433</u>	<u>35,574</u>	<u>313,826</u>
<u>Net Book Value</u>				
At 31 March 2001	76,889	63,409	5,609	145,907
At 31 March 2000	106,899	119,455	10,550	236,904

The net book value of fixed assets includes assets held under finance leases or hire purchase contracts amounting to £ 70,750 (2000 £96,427).

## PRESTIGE SYSTEMS PLC

### Notes to the consolidated financial statements for the year ended 31 March 2001

#### 12 Investments

Group	2001 £	2000 £
Balance at 1 April 2000	45,000	-
Investment (disposal) during year	( 45,000 )	<u>45,000</u>
	<u>-</u>	<u>45,000</u>
 <b>Company</b>		
	2001 £	2000 £
Investment in subsidiary undertakings	20,000	-
Investment (other)	<u>-</u>	<u>45,000</u>
	<u>20,000</u>	<u>45,000</u>

Details of the investments, all of which are held by Prestige Systems PLC, where the company holds more than 20% of the nominal value of any class of share capital are as follows:-

Name of Company	Country of Incorporation	Holding	Proportion held	Nature of business
Prestige Data Services Ltd	England & Wales	Ordinary Shares	66.66%	Computer systems

On 12 July 2000 the company acquired the whole of the share capital of Prestige Data Services Ltd for a cash consideration of £2. The company was previously dormant.

The acquisition has been accounted for by the acquisition method of accounting. The amount of goodwill arising as a result of the acquisition is NIL. The profits after taxation of Prestige Data Services Limited were as follows:

#### Results prior to acquisition

1 January 2000 to the date of acquisition	Nil
Preceding financial year ended 31 December 1999	Nil

#### Results post acquisition

From date of acquisition to 31 March 2001 included in the consolidated accounts	( 149,229 )
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## PRESTIGE SYSTEMS PLC

### Notes to the consolidated financial statements for the year ended 31 March 2001

#### 12 Investments (continued)

Analysis of acquisition of Prestige Data Services Ltd

	Book value	Accounting Policy Adjustment	Fair value to the Group
	£	£	£
Tangible fixed assets	-	-	-
Stocks	-	-	-
Debtors	<u>2</u>	<u>-</u>	<u>2</u>
Total Assets	<u>2</u>	<u>-</u>	<u>2</u>
Creditors due within one year	-	-	-
Deferred taxation	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>
Net assets	<u>2</u>	<u>-</u>	2
Goodwill			<u>-</u>
			<u>2</u>
Discharged by:			
Cash			<u>2</u>

The cash effects of the acquisition are given in note 33.

#### 13 Stocks

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Computer systems	<u>17,476</u>	<u>154,307</u>	<u>17,476</u>	<u>154,307</u>
	<u>17,476</u>	<u>154,307</u>	<u>17,476</u>	<u>154,307</u>

# PRESTIGE SYSTEMS PLC

## Notes to the consolidated financial statements for the year ended 31 March 2001

### \*14 Debtors

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
<b>Due after more than one year</b>				
Amounts owed by group undertaking	-	-	130,000	-
<b>Due within one year</b>				
Amounts owed by group undertaking	-	-	150,094	-
Trade debtors	994,308	1,708,872	850,219	1,708,872
Other debtors	-	65,370	-	65,370
Prepayments and accrued income	<u>101,955</u>	<u>95,190</u>	<u>80,788</u>	<u>95,190</u>
	<u>1,096,263</u>	<u>1,869,432</u>	<u>1,165,633</u>	<u>1,869,432</u>

### 15 Creditors: amounts falling due within one year

	Group		Company	
	2001 £	2000 £	2001 £	2000 £
Bank loans and overdrafts	-	-	-	-
Obligations under finance				
Leases and hire purchase contracts	2,277	2,394	2,277	2,394
Trade creditors	937,446	1,458,972	874,800	1,458,972
Corporation tax	81,105	-	149,307	-
Other taxes and social security costs	327,703	124,071	360,355	124,071
Accruals and deferred income	<u>610,840</u>	<u>130,183</u>	<u>601,417</u>	<u>130,183</u>
	<u>1,959,371</u>	<u>1,715,620</u>	<u>1,988,156</u>	<u>1,715,620</u>

The corporation tax liability (group) is offset by consortium relief of £68,202.

# PRESTIGE SYSTEMS PLC

## Notes to the consolidated financial statements for the year ended 31 March 2001

### 16 Creditors : amounts falling due after more than one year

	Group		Company	
	2001	2000	2001	2000
	£	£	£	£
Obligations under finance leases and hire purchase contracts	25,578	27,855	25,578	27,855
Other creditors	<u>140,000</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>165,578</u>	<u>27,855</u>	<u>25,578</u>	<u>27,855</u>

The finance leases and hire purchase contracts are secured on the assets concerned and are repayable by instalments in between two and five years. Other creditors relates to loan capital introduced by Whitehouse Consultants Ltd in Prestige Data Services Ltd repayable by mutual agreement between its directors who at the time of the agreement were Mr. J A Dawson and Mr I Silvester.

### 17 Deferred taxation Group

	Provided		Maximum potential Liability	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	<u>—</u>	<u>—</u>	<u>15,096</u>	<u>—</u>
	<u>—</u>	<u>—</u>	<u>15,096</u>	<u>—</u>

### Company

	Provided		Maximum potential Liability	
	2001	2000	2001	2000
	£	£	£	£
Accelerated capital allowances	<u>—</u>	<u>—</u>	<u>12,413</u>	<u>—</u>
	<u>—</u>	<u>—</u>	<u>12,413</u>	<u>—</u>

### 18 Called up share capital

	2001	2000
<b>Authorised</b>		
Ordinary shares of 10p each	500,000	500,000
<b>Allotted, called up and fully paid</b>		
Ordinary shares of 10p each	500,000	500,000

# PRESTIGE SYSTEMS PLC

## Notes to the consolidated financial statements for the year ended 31 March 2001

### 19 Reserves

#### Group

	Share Premium Account £	Revaluation Reserve £	Profit & Loss Account £	Total £
Balance at 1 April 2000	-	-	808,225	808,225
Arising on shares issued	-	-	-	-
Surplus on revaluation	-	-	-	-
Profit retained for the year	-	-	114,996	114,996
Goodwill transferred to the Profit and Loss account	-	-	-	-
Transfer from revaluation reserve	—	—	—	—
Balance at 31 March 2001	—	—	<u>923,221</u>	<u>923,221</u>

#### Company

Balance at 1 April 2000	-	-	808,225	808,225
Arising on shares issued	-	-	-	-
Surplus on revaluation	-	-	-	-
Profit retained for the year	-	-	214,482	214,482
Transfer of excess depreciation	—	—	—	—
Balance at 31 March 2001	—	—	<u>1,022,707</u>	<u>1,022,707</u>

### 20 Reconciliation of movement in shareholders' funds

#### Group

	2001 £	2000 £
Profit (loss) for the year	114,996	( 166,720 )
Dividend	—	—
Retained profit for the year	114,996	( 166,720 )
Goodwill transferred to Profit & Loss account on disposal of business	-	-
Other recognised gains and losses	-	-
New Shares issued during the year	—	—
Net additions during the year	-	( 166,720 )
Shareholders' funds at 1 April 2000	<u>858,225</u>	<u>1,024,925</u>
Shareholders' funds at 31 March 2001	<u>973,221</u>	<u>858,225</u>

## PRESTIGE SYSTEMS PLC

### Notes to the consolidated financial statements for the year ended 31 March 2001

#### 21 Contingent liabilities

**Group** None

**Company** None

#### 22 Capital commitments

At the year end the group had capital commitments not provided for in these accounts as follows:

	2001	2000
Contracted for	_____	_____

#### 23 Other commitments

At 31 March the group had the following annual commitments under non-cancellable operating leases as follows:

	Land and Buildings 2001	2000	Other 2001	2000
Expiry date				
Within one year	-	-	21,799	22,674
Between two and five years	-	22,340	44,423	43,828
After more than five years	34,885	22,340		

#### 24 Pension commitments

The group operated a defined pension scheme for its directors and senior employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

#### 25 Controlling related party

Throughout the year the company was under the control of Mr J A Dawson, a major shareholder and Chairman of the company.

#### 26 Transactions with Directors

None (2000 None)

#### 27 Other related party transactions

None (2000 None)

#### 28 Post balance sheet events

None

# PRESTIGE SYSTEMS PLC

## Notes to the consolidated financial statements for the year ended 31 March 2001

### - 29 Gross cash flows

	2001 £	2000 £
<b>Returns on investments and servicing of finance</b>		
Interest paid less interest received	( 4,593 )	( 17,974 )
<b>Capital expenditure</b>		
Payments to acquire tangible fixed assets	( 77,474 )	( 175,534 )
Receipts from sales of tangible fixed assets	<u>20,376</u>	<u>70,950</u>
	( 57,098 )	( 104,584 )
<b>Investments</b>		
(Acquisition) Disposal	<u>450</u>	( 45,000 )
<b>Acquisitions and disposals</b>		
Purchase of subsidiary undertaking	2	-
Sale of subsidiary undertaking	-	-
	<u>2</u>	-
<b>Financing</b>		
Issue of ordinary Shares (minorities)	10,000	-
Finance lease/Hire purchase	( 2,277 )	27,855
Loan – Whitehouse Consultants Ltd	<u>140,000</u>	-
	<u>147,723</u>	<u>27,855</u>

### 30 Analysis of changes in net funds

	1 April 2000 £	Cash flows £	31 March 2001 £
Cash at bank and in hand	296,057	1,457,799	1,753,856
Debt due after one year		( 140,000 )	( 140,000 )
Finance lease and hire purchase agreements	( 27,855 )	<u>2,277</u>	( 25,578 )
Balance at 31 March	<u>268,202</u>	<u>1,320,076</u>	<u>1,588,278</u>

### 31 Major non-cash transactions

None



## PRESTIGE SYSTEMS PLC

### Notes to the consolidated financial statements for the year ended 31 March 2001

#### 32 Purchase of subsidiary undertakings

2001

Net assets acquired	-
Tangible fixed assets	-
Stocks	-
Debtors	2
Creditors	-
Bank overdraft	-
Deferred Taxation	<u>-</u>
	<u>2</u>

Goodwill	<u>-</u>
	<u>2</u>

Satisfied by cash	<u>2</u>
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The subsidiary undertaking acquired during the year utilised £53,888 of the group's net operating cash flows, paid £6,060 of net returns on investment and servicing of finance, and utilised £54,214 for investing activities.

#### 33 Analysis of the net outflow of cash in respect of the purchase of a subsidiary undertaking

2001

£

Cash consideration	<u>2</u>
Net outflow of cash	<u>2</u>