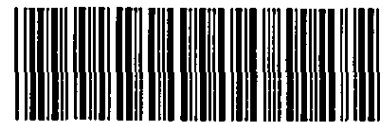


Registered number:
02864963
England and Wales

Source Software Limited
Abbreviated Report and Accounts
31 December 2008

John Price & Co Limited
18 Archer Road
Penarth
Vale of Glamorgan
CF64 3HW

THURSDAY



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Source Software Limited
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for the year ended 31 December 2008

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Source Software Limited
Directors' Report
for the year ended 31 December 2008

The directors present their annual report on the affairs of the company, together with abbreviated accounts, for the year ended 31 December 2008.

Principal activities

The company's principal activity continued to be that of a general insurance intermediary

Review of business developments

The company's core business remains the provision of general insurance products through intermediary brokers. Growth on general insurance was 9% with income of £7.4m compared with £6.9m in the previous 12 months.

The directors are pleased with the development of the company during the period and the financial results and retained profit as at the year end. The directors believe that the company's product portfolio is an excellent match to the current needs of the market and that consequently Source is well positioned to grow its customer base in spite of less favourable economic conditions.

Dividends

The company paid dividends of £855,784 (2007:£926,963) during the year

Directors

The directors in office in the year were as follows:

A A Masters
G L Davidson
M T Guest
A McLauchlan

There have been no changes in directorship between the end of the year and the dates of this report.

Financial instruments

The company's principal financial instruments comprise bank balances, trade creditors and trade debtors. The main purpose of these instruments is to finance the company's operations. In respect of bank balances, the insurers' monies and company monies are kept separately. Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding. Trade creditors' liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

Reappointment of auditors

Pursuant to s386 Companies Act 1985, an elective resolution was passed dispensing with the requirement to appoint auditors annually. Therefore, John Price & Co Limited are deemed to continue as auditors.

**Source Software Limited
Directors' Report - continued
for the year ended 31 December 2008**

Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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 that disclose with reasonable accuracy at any time the financial position of the company and 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.

In determining how amounts are presented within items in the profit and loss account and balance sheet, the directors must have regard to the substance of the reported transaction or arrangement, in accordance with generally accepted accounting principles or practice.

Statement of disclosure of information to auditors

So far as each of the directors at the time the report is approved are aware:

- there is no relevant audit information of which the company's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Signed on behalf of
the board of directors



.....
A A Masters
Director

Approved by the board: 25 September 2009

**Source Software Limited
Independent Auditors' report
for the year ended 31 December 2008**

**Independent auditors' report limited under section 247B of the Companies Act 1985
for Source Software Limited**

We have examined the abbreviated accounts set out on pages 5 to 13, together with the financial statements of Source Software Limited for the year ended 31 December 2008 prepared under section 226 of the Companies Act 1985.

This report is made solely to the company, in accordance with section 247B of the Companies Act 1985. Our work has been undertaken so that we might state to the company those matters we are required to state to it in a special auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the Registrar of Companies and whether the abbreviated accounts have been properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

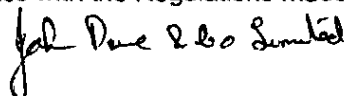
We conducted our work in accordance with Bulletin 2006/3 "The special auditor's report on abbreviated accounts in the United Kingdom" issued by the Auditing Practices Board. In accordance with that Bulletin we have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts have been properly prepared in accordance with the Regulations made under that section.

**John Price & Co Limited
Registered Auditors**

John Price & Co Limited
18 Archer Road
Penarth
Vale of Glamorgan
CF64 3HW



Date: 25 September 2009

Source Software Limited
Profit and Loss Account
for the year ended 31 December 2008

	Notes	2008 £	2007 £
Gross profit		3,637,668	3,587,732
Administrative expenses		(2,425,868)	(2,457,337)
Operating profit	4	1,211,800	1,130,395
Other interest receivable and similar income	5	92,876	32,891
Profit on ordinary activities before interest		1,304,676	1,163,286
Interest payable and similar charges	6	-	(6,676)
Profit on ordinary activities before taxation		1,304,676	1,156,610
Tax on profit or loss on ordinary activities	7	(368,421)	(342,012)
Profit for the financial year		936,255	814,598

None of the Company's activities were acquired or discontinued during the above financial year. There are no recognised gains and losses in the financial period other than the profit for the period. There are no material differences between the results disclosed in the profit and loss account and the results on an unmodified historical cost basis.

Source Software Limited
Balance Sheet
as at 31 December 2008

	Notes	2008 £	2007 £
Fixed assets			
Tangible assets	8	135,078	147,427
Current assets			
Debtors	9	896,525	652,450
Cash at bank and in hand		2,306,218	1,923,408
		3,202,743	2,575,858
Creditors: amounts falling due within one year	10	(2,504,127)	(1,971,562)
Net current assets		698,616	604,296
Total assets less current liabilities		833,694	751,723
Provisions for liabilities	11	(5,800)	(4,300)
Net assets		827,894	747,423
Capital and reserves			
Called up share capital	12	2,000	2,000
Profit and loss account	13	825,894	745,423
Shareholders' funds	14	827,894	747,423

These accounts have been prepared in accordance with the special provisions relating to medium-sized companies within Part VII of the Companies Act 1985.

Signed on behalf of the board of directors



G L Davidson
Director

Approved by the board: 25 September 2009

Source Software Limited
Cash Flow Statement
for the year ended 31 December 2008

	Notes	2008 £	2007 £
Net cash inflow from operating activities	18	1,536,901	1,913,597
Returns on investments and servicing of finance	19	92,876	26,215
Taxation		(338,847)	(343,490)
Capital expenditure and financial investments	20	(52,336)	(87,873)
Equity dividends paid		(855,784)	(926,963)
Cash inflow before use of liquid resources and financing		382,810	581,486
Financing	21	-	(2,121)
Increase in cash in year		382,810	579,365

Source Software Limited
Notes to the Abbreviated Accounts
for the year ended 31 December 2008

1 Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and the preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Turnover

Turnover represents brokerage income for which the company takes credit when the relevant transactions have been recorded in the books of account or when due, if deferred, and when the transactions have been confirmed in a period approximating to one month subsequent to the year end.

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Plant and machinery	3-5 years
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Taxation

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is accounted for at expected tax rates on all differences arising from the inclusion of items of income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. A deferred tax asset is only recognised when it is more likely than not that the asset will be recoverable in the foreseeable future out of suitable taxable profits from which the underlying timing differences can be deducted.

Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis.

Insurance balances

The company acts as an insurance intermediary and in general is not liable for premiums due to underwriters or for claims payable to clients. Notwithstanding this legal relationship with clients and underwriters, the company follows generally accepted accounting practice by showing debtors, cash and creditors relating to insurance business as assets and liabilities of the company itself.

2 Staff costs

The average monthly number of employees (including executive directors) was:

	2008 Number	2007 Number
Employees	60	61
	<u>60</u>	<u>61</u>

Source Software Limited
Notes to the Abbreviated Accounts - continued
for the year ended 31 December 2008

The aggregate of staff remuneration comprised:		2008	2007
		£	£
Wages and salaries		1,585,004	1,604,609
Social security costs		156,709	163,284
		<u>1,741,713</u>	<u>1,767,893</u>
3 Directors' emoluments		2008	2007
		£	£
Emoluments		373,424	446,864
Highest paid director:		2008	2007
		£	£
Emoluments		111,015	157,234
Company contributions to money purchase pension schemes		-	-
		<u>111,015</u>	<u>157,234</u>
Accrued benefits in defined benefit pension schemes		-	-
4 Operating profit		2008	2007
		£	£
Operating profit is after charging:			
Depreciation and amounts written off tangible fixed assets			
Owned fixed assets		64,685	56,841
Operating lease rentals			
Other		84,551	78,483
Auditor's remuneration			
Audit work		5,288	5,288
		<u>5,288</u>	<u>5,288</u>
5 Interest receivable and similar income:		2008	2007
		£	£
Deposit account interest		92,876	32,891
		<u>92,876</u>	<u>32,891</u>
6 Interest payable and similar charges:		2008	2007
		£	£
Other charges		-	6,676
		<u>-</u>	<u>6,676</u>
7 Tax on profit on ordinary activities			
The taxation charge is based on the taxable profit for the year and comprises:		2008	2007
		£	£
Current tax:			
UK corporation tax		369,200	340,500
Adjustment in respect of prior period tax		(2,279)	(188)
		<u>366,921</u>	<u>340,312</u>
Deferred tax: origination and reversal of timing differences			
Current year deferred tax		1,500	1,700
Tax on profit on ordinary activities		<u>368,421</u>	<u>342,012</u>

Source Software Limited
Notes to the Abbreviated Accounts - continued
for the year ended 31 December 2008

Factors affecting the tax charge for the year

	2008	2007
	£	£
Profit on ordinary activities before taxation	1,304,676	1,156,610
Tax on ordinary activities at UK standard rate of 28.5% (2007: 30%)	371,833	346,983
Effects of:		
Expenses not deductible for tax purposes	2,138	3,000
Effective rate of Corporation Tax	(3,653)	(8,549)
Depreciation in excess of capital allowances	(1,118)	(934)
Prior period adjustment	(2,279)	(188)
Current tax charge for year	<u>366,921</u>	<u>340,312</u>

8 Tangible fixed assets

	Plant and Machinery £	Fixtures and Fittings £	Motor Vehicles £	Computers £	Total £
Cost					
At 1 January 2008	73,875	76,851	10,000	159,428	320,154
Additions	20,336	8,696	-	23,304	52,336
Disposals	-	-	(10,000)	-	(10,000)
At 31 December 2008	<u>94,211</u>	<u>85,547</u>	<u>-</u>	<u>182,732</u>	<u>362,490</u>
Depreciation					
At 1 January 2008	32,164	36,323	10,000	94,240	172,727
Charge for the year	15,762	16,612	-	32,311	64,685
Disposals	-	-	(10,000)	-	(10,000)
At 31 December 2008	<u>47,926</u>	<u>52,935</u>	<u>-</u>	<u>126,551</u>	<u>227,412</u>
Net book value					
At 31 December 2008	<u>46,285</u>	<u>32,612</u>	<u>-</u>	<u>56,181</u>	<u>135,078</u>
At 31 December 2007	<u>41,711</u>	<u>40,528</u>	<u>-</u>	<u>65,188</u>	<u>147,427</u>

9 Debtors

Debtors: amounts falling due within one year	2008	2007
	£	£
Trade debtors	823,965	550,799
Other debtors	7,586	587
Prepayments and accrued income	64,974	101,064
	<u>896,525</u>	<u>652,450</u>
Debtors: amounts falling due after more than one year	2008	2007
	£	£
	<u>-</u>	<u>-</u>

Source Software Limited
Notes to the Abbreviated Accounts - continued
for the year ended 31 December 2008

10 Creditors: amounts falling due within one year		2008	2007
		£	£
Trade creditors		1,514,203	982,668
Taxation and social security		379,684	386,042
Other creditors		1,354	455
Accruals and deferred income		608,886	602,397
		<u>2,504,127</u>	<u>1,971,562</u>
11 Provisions for liabilities			
		Deferred	Total
		taxation	£
		£	
At 1/01/2008		4,300	4,300
Charged to profit & loss		1,500	1,500
At 31/12/2008		<u>5,800</u>	<u>5,800</u>
<i>Deferred taxation</i>			
		2008	2007
		£	£
Accelerated capital allowances		5,800	4,300
		<u>5,800</u>	<u>4,300</u>
12 Share capital - equity shares	2008	2008	2007
	No. Shares	£	£
Authorised share capital:			
Ordinary shares of £1 each	50,000	<u>50,000</u>	<u>50,000</u>
Allotted, called up fully paid share capital:			
Ordinary shares of £1 each	2,000	<u>2,000</u>	<u>2,000</u>
13 Reserves			
			Profit
			and Loss
			Account
			£
Brought forward			745,423
Profit for the financial year			936,255
Dividends			(855,784)
			<u>825,894</u>

Source Software Limited
Notes to the Abbreviated Accounts - continued
for the year ended 31 December 2008

14 Shareholders' funds

Shareholders funds of £827,894 (2007: £747,423) are attributable to equity shareholders.

Reconciliation of movements in shareholders' funds

	2008 £	2007 £
Profit attributable to shareholders	936,255	814,598
Dividends	(855,784)	(926,963)
	<u>80,471</u>	<u>(112,365)</u>
Net increase/(decrease) in shareholders' funds	80,471	(112,365)
Opening shareholders' funds	747,423	859,788
Closing shareholders' funds	<u>827,894</u>	<u>747,423</u>

15 Operating leases

Commitments under operating leases
for the next 12 months are:

	Land & Property £	Other Leases £
Leases expiring within one year	-	-
Leases expiring between two and five years	57,000	-
Leases expiring after five years	-	-
	<u>57,000</u>	<u>-</u>

16 Dividends proposed

Dividends of £736,676 have been proposed and paid subsequent to 31 December 2008

17 Post balance sheet events

Subsequent to the year end the company purchased office property for a consideration of £750,000.

18 Reconciliation of operating profit to operating cash flows

	2008 £	2007 £
Operating profit	1,211,800	1,130,395
Depreciation charge for the period	64,685	56,842
Increase/(Decrease) in debtors	(244,075)	271,506
Increase in creditors	504,491	454,854
Net cash inflow from operating activities	<u>1,536,901</u>	<u>1,913,597</u>

19 Cash flow: Returns on investments and servicing of finance

	2008 £	2007 £
Interest received	92,876	32,891
Interest paid	-	(6,676)
	<u>92,876</u>	<u>26,215</u>

20 Cash flow: Capital expenditure and financial investment

	2008 £	2007 £
Purchase of property, plant and equipment	(52,336)	(87,873)
	<u>(52,336)</u>	<u>(87,873)</u>

Source Software Limited
Notes to the Abbreviated Accounts - continued
for the year ended 31 December 2008

21 Cash flow: Financing	2008	2007
	£	£
Repayments of amounts borrowed	-	(2,121)
	<u>-</u>	<u>(2,121)</u>

22 Cash flow: Reconciliation of net cash flow to movement in net debt

	At	Cash	Other	At
	01 Jan 08	Flows	Changes	31 Dec 08
	£	£	£	£
Cash in hand, at bank	1,923,408	382,810		2,306,218
		<u>382,810</u>		
Net funds	<u>1,923,408</u>	<u>382,810</u>	<u>-</u>	<u>2,306,218</u>

23 Related party transactions

The company is controlled by A A Masters.

During the year the company rented property from A A Masters. The amount charged in the financial statements during the year ended 31 December 2008 was £52,000 (2007: £57,000)