COMPANY REGISTRATION NUMBER 2767946

REFLEX DATA SYSTEMS LIMITED

ABBREVIATED FINANCIAL STATEMENTS

31 DECEMBER 1998



BDO STOY HAYWARD
Beverley

REF0198.abb

REFLEX DATA SYSTEMS LIMITED

Abbreviated financial statements

Year ended 31 December 1998

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REFLEX DATA SYSTEMS LIMITED

Auditors' report to the company

Pursuant to section 247b of the Companies Act 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the financial statements of the company for the year ended 31 December 1998 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the directors and the auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 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 sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and report our opinion to you.

Basis of opinion

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. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

BDO STOY HAYWARD
Registered Auditors
Beckside Court
Annie Reed Road
Beverley

22 March 1999

REFLEX DATA SYSTEMS LIMITED

Abbreviated balance sheet

31 December 1998

	Note	1998 £	1998 £	1997 £	1997 £
Fixed assets	**2**				
Tangible assets			147,303		125,700
Current assets					
Stocks		49,110		19,499	
Debtors		498,421		274,447	
Cash at bank and in hand		173,070		249,693	
		720,601		543,639	
Creditors: Amounts falling due within one year		723,843		552,899	
Net current liabilities			(3,242)		(9,260)
Total assets less current liabilities			144,061		116,440
Capital and reserves					
Called-up equity share capital	**3**		999		999
Share premium account			3,497		3,497
Profit and loss account			139,565		111,944
Shareholders' funds			144,061		116,440

These accounts have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

These financial statements were approved by the directors on the 22 March 1999, and are signed on their behalf by:

T Robinson
Director

The notes on pages 3 to 5 form part of these financial statements.

1. Accounting policies

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

Cash flow statement
The directors have taken advantage of the exemption in Financial Reporting Standard No 1 from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover
The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Depreciation
Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Office fixtures and equipment	-	over 4 - 10 years
Computer equipment	-	over 3 years
Motor vehicles	-	over 4 years

Stocks
Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress
Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements
Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits as incurred.

Pension costs
The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account

Deferred taxation
Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences to the extent that it is considered that a net liability may arise.

1. **Accounting policies** *(continued)*

Year 2000 and Euro costs
Costs incurred in preparing systems for the year 2000 and the introduction of the Euro are written off as incurred unless there is significant improvement in the systems in which case the costs are capitalised and depreciated in line with the policy stated above.

Maintenance contracts
Income received under maintenance contracts is credited to turnover on a time basis over the period in which it is earned. Costs under maintenance contracts are charged to the profit and loss account in the periods in which they are incurred.

Software development costs
Software development costs are charged to the profit and loss account in the period in which they are incurred.

2. **Fixed assets**

	Tangible Fixed Assets £
Cost	
At 1 January 1998	237,673
Additions	83,019
Disposals	(42,275)
At 31 December 1998	278,417
Depreciation	
At 1 January 1998	111,973
Charge for year	54,028
On disposals	(34,887)
At 31 December 1998	131,114
Net book value	
At 31 December 1998	147,303
At 31 December 1997	125,700

3. Share capital

Authorised share capital:

	1998 £	1997 £
334 Ordinary Class A shares of £1 each	334	334
333 Ordinary Class B shares of £1 each	333	333
333 Ordinary Class C shares of £1 each	333	333
	1,000	1,000

Allotted, called up and fully paid:

	1998		1997	
	No.	£	No.	£
Ordinary Class A shares	333	333	333	333
Ordinary Class B shares	333	333	333	333
Ordinary Class C shares	333	333	333	333
	999	999	999	999

The 'A', 'B' and 'C' shares all rank pari passu in respect of their rights to receive dividends and in the event of a winding up.