

12812

30

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY

REPORT AND MODIFIED ACCOUNTS

198

CONTENTS

Report of the Directors

Balance Sheet

Notes to the Accounts

Profit and Loss Account

Report of the Auditors

1

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY

BALANCE SHEETS - 31ST OCTOBER 1986

	NOTE	GROUP 1986 £	1986 £	COMPANY 1985 £
<u>FIXED ASSETS</u>				
Intangible Assets	2	10,761	-	-
Tangible Assets	3	503,977	480,897	388,777
Investments	4&5		13,000	20,000
		<u>514,738</u>	<u>493,897</u>	<u>408,777</u>
<u>CURRENT ASSETS</u>				
Stocks and Work in Progress	6	162,807	162,807	216,950
Debtors and prepayments	7	105,486	81,338	215,944
Cash in transit	8	7,376	-	-
Short-term Investments	9	568,716	568,716	387,247
Cash at Bank and in Hand		50,002	50,000	50,000
		<u>894,987</u>	<u>862,861</u>	<u>670,141</u>
<u>CREDITORS:</u> Amounts falling due within one year	10	688,472	634,903	487,375
<u>NET CURRENT ASSETS</u>		<u>206,515</u>	<u>227,958</u>	<u>182,766</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>721,253</u>	<u>721,855</u>	<u>591,543</u>
<u>CREDITORS:</u> Amounts falling due after more than one year	11	28,569	22,226	20,542
		<u>692,684</u>	<u>699,627</u>	<u>571,001</u>
<u>PROVISION FOR LIABILITIES AND CHARGES</u>				
Deferred Taxation	12	(52,660)	(52,660)	(43,820)
<u>MINORITY INTERESTS</u>		<u>1,129</u>	<u>-</u>	<u>-</u>
<u>NET ASSETS</u>		<u>£641,153</u>	<u>£646,967</u>	<u>£527,181</u>
<u>CAPITAL AND RESERVES</u>				
Called up share capital	13	157,898	157,898	157,898
Revaluation reserves	14	34,000	34,000	-
Profit and Loss account		449,255	455,069	369,283
<u>SHAREHOLDERS' FUNDS</u>		<u>£641,153</u>	<u>£646,967</u>	<u>£527,181</u>

Approved by the Board..........DIRECTORS

23rd January 1987

The Directors have relied on the exemptions for individual accounts available under the Companies Acts 1981 and have done so on the ground that the Company is entitled to the benefits of those exemptions as a medium sized Company.

C.P. PROGRAMMING SERVICES LIMITED

AND ITS SUBSIDIARY COMPANY

REPORT OF THE DIRECTORS

The Directors present their annual report, together with the audited accounts of the company and group for the year ended 31st October 1986.

BUSINESS REVIEW

The principal activity of the holding company remains unchanged from the previous year, this being the provision of computer assembly and software support.

The Company acquired 76% of the ordinary Share Capital of Kingfisher Computer Consultants Limited on 25th February 1986.

The directors consider that the state of affairs of the company and group at the date of the balance sheet was satisfactory.

RESULTS AND DIVIDENDS

The group profit for the year before taxation was £331,269. Full details of the results for the year are set out in the attached profit and loss account, leaving a balance of £449,255 to be carried forward.

The interim dividend declared and paid of £140,000 (1985 £105,792) is confirmed as final by the Directors.

CLOSE COMPANY

The company is a close company within the meaning of the Income and Corporation Taxes Act 1970.

FIXED ASSETS

Full details of the movements on the fixed asset account are set out in note 3 appended to these accounts.

DIRECTORS

The directors who have held office during the year and their interests in the shares of the company all of which were beneficial are as follows:

	<u>31st October 1986</u>	<u>1st November 1985</u>
	<u>Ordinary</u>	<u>Ordinary</u>
P.J. Hatton	75,001	75,001
Mrs E. Hatton	75,001	75,001
P.G. Towersey	3,948	3,948
D.J. Reynolds	3,948	3,948
M.W. Gardiner	-	-
R.C. Orme	-	-

Messrs M.W. Gardiner, R.C. Orme and P.J. Hatton retire by rotation and being eligible offer themselves for re-election.

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY
REPORT OF THE DIRECTORS CONTINUED

AUDITORS

Messrs Pole, Arnold, the company's auditors, will be proposed for re-appointment in accordance with section 384 Companies Act 1985.

BY ORDER OF THE BOARD

E. Hatton

MRS E. HATTON
SECRETARY

23rd January 1987

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDING 31ST OCTOBER 1986

	NOTE	GROUP 1986 £	COMPANY 1986 £	1985 £
<u>GROSS PROFIT</u>		544,012	528,020	839,411
Administration costs		(192,582)	(185,038)	(224,673)
Distribution costs		(100,743)	(88,846)	(58,030)
<u>OPERATING PROFIT</u>	18	250,687	254,136	556,708
Profit on disposal of investment		35,000	35,000	-
Rent received		8,050	8,050	6,116
Interest received		46,867	48,867	28,544
		340,604	344,053	591,368
Interest payable	19	(9,335)	(5,134)	(944)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		331,269	338,919	590,424
Taxation	20	(113,133)	(113,133)	(251,666)
Minority interests		1,836	-	-
<u>PROFIT FOR THE FINANCIAL YEAR</u>		219,972	225,786	338,758
Dividends	21	(140,000)	(140,000)	(105,792)
<u>RETAINED PROFIT FOR THE YEAR</u>		79,972	85,786	232,966
<u>RETAINED PROFIT BROUGHT FORWARD</u>		369,283	369,283	136,317
<u>RETAINED PROFIT CARRIED FORWARD</u>		£449,255	£455,069	£369,283

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31ST OCTOBER 1986

	COMPANY <u>1986</u>	<u>1985</u>
<u>Source of Funds</u>		
Profit before Taxation	338,919	590,424
Adjustments for items not involving the movement of funds:		
Depreciation and Amortisation	60,387	48,987
Profit on sale of tangible fixed assets	-	(1,012)
Profit on sale of investment	(35,000)	-
	25,387	47,975
<u>TOTAL GENERATED FROM OPERATIONS</u>	364,306	638,399
<u>FUNDS FROM OTHER SOURCES</u>		
Proceeds of disposal of tangible fixed assets	-	8,012
Proceeds from sale of investments	55,000	-
Creditors falling due after one year	1,686	20,542
	56,686	28,554
	420,992	666,953
<u>Application of Funds</u>		
Purchase of subsidiary company	13,000	-
Purchase of tangible fixed assets	118,507	195,304
Taxation paid	180,060	137,642
Dividend paid	140,000	111,992
	451,567	444,938
<u>MOVEMENT IN WORKING CAPITAL</u>	£(30,575)	£222,015
<u>Increase/(Decrease) in Working Capital</u>		
Stocks and work in progress	45,857	(55,700)
Debtors	(46,449)	(40,267)
Investments	181,469	(168,041)
Creditors falling due within one year	(211,452)	28,155
	(30,575)	(245,852)
	-	(23,837)
<u>Movement in Net Liquid Funds</u>		
(Decrease) in Cash and Bank Balance	-	(23,837)
	£(30,575)	£222,015

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE
YEAR ENDED 31ST OCTOBER 1986 CONTINUED

	COMPANY <u>1986</u>	<u>1985</u>
<u>Analysis of the acquisition of Kingfisher</u> <u>Computer Consultants Limited</u>		
<u>Net Assets Acquired</u>		
Tangible assets	23,080	
Debtors and prepayments	41,393	
Cash in hand	2	
Creditors	(69,179)	
Holding Company share of losses	5,814	
Minority interest	1,129	
Goodwill	10,761	
	<hr/>	
	£13,000	
<u>Discharged by</u>		
Cash	£13,000	

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY

NOTES TO THE ACCOUNTS - 31ST OCTOBER 1986

1. ACCOUNTING POLICIES

The main accounting policies of the company and the group are set out below. These policies have remained unchanged from the previous year.

a) Accounting Convention

The accounts are prepared under the historical cost convention as modified by the revaluation of certain assets.

b) Tangible Fixed Assets

Depreciation and amortisation is provided, after taking into account any grants receivable, at the following rates in order to write off the cost of each asset over its estimated useful life as follows:

Fixtures, Fittings and Equipment	10% to 15%	on written down value
Motor Vehicles	25%	on written down value

The freehold land and buildings fall within the scope of SSAP 19 Accounting for Investment Properties and accordingly, no depreciation has been provided on cost or the revaluation.

c) Stocks and Work in Progress

Stocks and work in progress have been valued by the directors at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost comprises all direct costs and in respect of work in progress and finished goods includes an appropriate proportion of overheads.

d) Deferred Taxation

Deferred taxation is calculated at current rates using the liability method in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

e) Turnover

Turnover represents net invoiced sales of goods and services, excluding value added tax.

f) Basis of Consolidation

The subsidiary purchased during the year has been consolidated into the group accounts as from the date of acquisition.

2. INTANGIBLE FIXED ASSETS

This represents goodwill which has arisen upon the consolidation of the subsidiary company.

3. TANGIBLE FIXED ASSETS

Cost	Total		Investment Property		Fixtures, Fittings & Equipment		Motor Vehicles	
	£	£	£	£	£	£	£	£
	Group	Company	Group	Company	Group	Company	Group	Company
Opening Balance	516,802	486,579	86,000	86,000	321,193	308,341	109,609	92,238
Additions	136,274	118,507	-	-	68,535	66,007	67,739	52,500
Revaluation	34,000	34,000	34,000	34,000	-	-	-	-
	687,076	639,086	120,000	120,000	389,728	374,348	177,348	144,738
Disposals	(12,386)	-	-	-	(6,371)	-	(6,015)	-
At 31st October 1986	674,690	639,086	120,000	120,000	383,357	374,348	171,333	144,738
<u>Depreciation</u>								
Opening Balance	106,123	97,802	-	-	76,841	74,771	29,282	23,031
Disposals	(4,777)	-	-	-	(1,370)	-	(3,407)	-
	101,346	97,802	-	-	75,471	74,771	25,875	23,031
Charge for the year	69,367	60,387	-	-	31,517	29,959	37,850	30,428
At 31st October 1986	170,713	158,189	-	-	106,988	104,730	63,725	53,459
<u>Written down values</u>								
At 31st October 1986	£503,977	£480,897	£120,000	£120,000	£276,369	£269,618	£107,608	£91,279
At 31st October 1985	-	£388,777	-	£86,000	-	£233,570	-	£69,207

Future capital commitments

Amounts contracted for which have not been provided for in the accounts

Authorised by the directors but not contracted for

The land and buildings were revalued by Stevenson and Barratt, Auctioneers and Valuers, 58 Market Street, Ashby de la Zouch, Leicestershire in July 1986.

1986
Group and Company

1985
Company

£NIL

£79,000

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY

NOTES TO THE ACCOUNTS - 31ST OCTOBER 1986 CONTINUED

4. LONG TERM INVESTMENTS

	<u>COMPANY</u>	
	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
Rateguard Limited: 392 ordinary Shares of £1 each	-	20,000

5. SUBSIDIARY COMPANIES

The company has one subsidiary: Kingfisher Computer Consultants Limited
incorporated in England.

	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>
Investments in subsidiaries are made up as follows:		
Shares: 76 ordinary shares of £1 each	13,000	-

6. STOCKS AND WORK IN PROGRESS

	<u>GROUP</u>	<u>COMPANY</u>	
	<u>1986</u>	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Computer items and stationery	12,250	12,250	-
Work in Progress	150,557	150,557	116,950
	<u>£162,807</u>	<u>£162,807</u>	<u>£116,950</u>

7. DEBTORS AND PREPAYMENTS

	<u>GROUP</u>	<u>COMPANY</u>	
	<u>1986</u>	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Amounts falling due within one year:			
Trade Debtors	32,028	9,488	61,733
Other Debtors	68,065	68,065	52,511
Prepayments and accrued income	5,393	3,785	1,700
	<u>£105,486</u>	<u>£81,338</u>	<u>£115,944</u>

8. CASH IN TRANSIT

	<u>GROUP</u>	<u>COMPANY</u>	
	<u>1986</u>	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Holding company to subsidiary	7,976	-	-

9. SHORT TERM INVESTMENTS

	<u>1986</u>	<u>1986</u>	<u>1985</u>
	<u>£</u>	<u>£</u>	<u>£</u>
Bank deposit accounts	£568,716	£568,716	£387,247

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY

NOTES TO THE ACCOUNTS - 31ST OCTOBER 1986 CONTINUED

<u>10. CREDITORS</u>	<u>GROUP</u> <u>1986</u> <u>£</u>	<u>COMPANY</u> <u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
Trade creditors	103,349	108,727	86,443
Other creditors	220,982	220,982	62,042
Accruals	3,732	1,000	1,635
Social Security and other taxes	121,416	107,728	98,319
	<u>449,479</u>	<u>438,437</u>	<u>248,439</u>
Current instalments due on:			
Hire Purchase contracts	41,498	34,333	12,879
Bank overdraft	35,362	-	-
Corporation tax due	162,133	162,133	226,057
	<u>£688,473</u>	<u>£634,903</u>	<u>£487,375</u>
Inter Company trade creditor included above		£9,209	-

<u>11. CREDITORS: Amounts falling due after more than one year</u>	<u>1986</u> <u>£</u>	<u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
Hire Purchase	28,569	22,228	20,542

<u>12. DEFERRED TAXATION</u>	<u>GROUP & COMPANY</u> <u>1986</u> <u>AMOUNT PROVIDED</u>	<u>COMPANY</u> <u>1985</u> <u>AMOUNT PROVIDED</u>
This represents tax deferred as a result of	£..	£
Accelerated capital allowances	63,880	69,420
Other timing differences	(11,200)	(25,600)
	<u>£52,660</u>	<u>£43,820</u>

Provision has been made in these accounts for the full potential liability to deferred taxation.

<u>13. CALLED UP SHARE CAPITAL</u>	<u>1986 & 1985</u> <u>Authorised</u>	<u>Allotted, Called Up Fully Paid</u>
Ordinary Shares of £1 each	<u>£250,000</u>	<u>£157,898</u>

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY

NOTES TO THE ACCOUNTS - 31ST OCTOBER 1986 CONTINUED

14. REVALUATION RESERVE

GROUP & COMPANY
1986

Investment property revaluation

£34,000

15. CONTINGENCIES

The company has guaranteed the overdraft of its subsidiary up to a limit of £40,000.

16. TURNOVER

Turnover arises entirely within the United Kingdom.

17. STAFF COSTS

GROUP
1986

COMPANY
1986

1985

The average weekly number of employees during the year was as follows:

Directors	8	6	4
Senior Management	-	-	2
Office and administration	5	4	4
Production	49	41	26
	<u>62</u>	<u>51</u>	<u>36</u>

The aggregate payroll costs of these persons were

	<u>£</u>	<u>£</u>	<u>£</u>
Wages and salaries	691,759	565,256	344,592
Social Security costs	68,340	55,862	27,784
Other pension costs	106,899	106,899	156,049
	<u>£866,998</u>	<u>£728,017</u>	<u>£528,425</u>

18. OPERATING PROFIT

GROUP
1986
£

COMPANY
1986
£

1985
£

This is stated after charging:

Depreciation of tangible fixed assets	69,367	60,387	48,987
Directors Emoluments	265,047	219,375	257,524
Auditors' remuneration	4,075	2,400	2,750

C.P. PROGRAMMING SERVICES LIMITED
AND ITS SUBSIDIARY COMPANY

NOTES TO THE ACCOUNTS - 31ST OCTOBER 1986 CONTINUED

19. <u>INTEREST PAYABLE</u>	<u>GROUP</u> <u>1986</u>	<u>COMPANY</u> <u>1986</u>	<u>1985</u>
On Loans, Bank Overdrafts, Hire Purchase contracts, repayable within five years	9,335	5,134	944
20. <u>TAXATION</u>	<u>GROUP</u> <u>1986</u> <u>£</u>	<u>COMPANY</u> <u>1986</u> <u>£</u>	<u>1985</u> <u>£</u>
The tax charge on the profit on ordinary activities arises as follows:			
Corporation tax at 35.6% (1985 42%)	104,950	104,950	223,400
Deferred taxation	8,840	8,840	28,523
Adjustment in respect of earlier years	(657)	(657)	(1,257)
	<u>£113,133</u>	<u>£113,133</u>	<u>£251,666</u>
21. <u>DIVIDENDS</u>		<u>GROUP & COMPANY</u> <u>1986</u> <u>1985</u>	
Ordinary Shares Interim Paid		140,000	105,792
22. <u>DIRECTORS AND SENIOR EMPLOYEES EMOLUMENTS</u>		<u>COMPANY</u> <u>1986</u> <u>1985</u>	
Emoluments of the chairman, who is also the highest paid director		£48,958	£41,275
Emoluments of the other directors were in the following bands:			
£15,001 to £20,000		-	1
£20,001 to £25,000		1	1
£25,001 to £30,000		-	1
£30,001 to £35,000		1	-
£35,001 to £40,000		3	-
23. <u>LEASING COMMITMENTS</u>			

The future minimum lease payments in respect of property rent to which the company is committed as at 31st October 1986 under leases, all of which are non-cancellable operating leases, are £20,000. The lease is due for renewal and renegotiation for the financial year ended 31st October 1988.

REPORT OF THE AUDITORS TO THE DIRECTORS OF
C.P. PROGRAMMING SERVICES LIMITED

Under Sch 8 para 10 of the Companies Act 1985

In our opinion the company satisfies the requirements of Sch 8 Part 1 of the Companies Act 1985 for the exemption as a medium sized company in respect of the period ended 31st October 1986 and the modified accounts set out on pages 4 to 13 have been properly prepared in accordance with Sch 8 Part 1 of that Act. We are not required to express an opinion of the truth and fairness of these modified accounts.

As auditors we reported to the members of the company on 23rd January 1987 on the accounts prepared under Section 227 of the Companies Act 1985 for the year ended 31st October 1986. Our audit opinion was as follows:

"We have audited the financial statements on pages 4 to 13 in accordance with approved auditing standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, as modified by the revaluation of land and buildings, give a true and fair view of the state of the company's affairs at 31st October 1986 and of its results and source and application of funds for the year then ended and comply with the Companies Act 1985. "

23rd January 1987

POLE ARNOLD
Chartered Accountants
Stoughton House
Harborough Road
Oadby
Leicester
LE2 4LP