

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS
FINANCIAL STATEMENTS
31ST DECEMBER 1994

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NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS AND OFFICERS

M J Dillon
L M Hayden
J K Wilkie
D J Lewendon
N J Morrell

SECRETARY

J K Wilkie

REGISTERED OFFICE

Southfield House
Broadford Park
Shalford
Guildford
Surrey GU4 8EN

AUDITORS

Baker Tilly
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

The directors submit their report and the group financial statements of Novus Systems Technology Limited for the 14 month period ended 31st December 1994.

PRINCIPAL ACTIVITIES

The principal activity of the group during the period was computer designers, consultants, agents and suppliers of computer related products.

REVIEW OF THE BUSINESS

The company increased its turnover, and operating profit increased substantially, as a result of the investment in product development in earlier years and the control of overheads.

Warprest Limited, Marben Limited, Novus Consulting and Reservation Network Systems Limited did not trade during the period.

HOLDING COMPANY

Novus Systems Technology Ltd is a subsidiary of IPC/Iris Investments BV, a company incorporated in Holland.

FUTURE DEVELOPMENTS

The directors continue to seek additional project work and actively exploit niche markets, and by controlling overheads expect to maintain and expand current levels of operations.

RESULTS AND DIVIDENDS

The group trading profit for the period after taxation was £725,795 (1993-£394,173).

The directors have recommended that no dividend be paid this period leaving a profit of £725,795 to be retained.

DIRECTORS

The following directors have held office during the period:-

M J Dillon
L M Hayden
J K Wilkie
D J Lewendon
N J Morrell

Mr D J Lewendon retires by rotation and, being eligible, offers himself for re-election.

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' REPORT

DIRECTORS' INTEREST IN SHARES

No director had an interest in the shares of the company or in the shares or loan stock of any subsidiary company.

FIXED ASSETS

The changes in fixed assets during the period are explained in note 10 to the financial statements.

RESEARCH AND DEVELOPMENT

The company has continued to invest funds in product development. During the period, a substantial investment was made in the development of a bureau product, and these costs will be amortised in line with revenues generated from the related service. All other development costs have been written off as incurred.

AUDITORS

A resolution to reappoint Baker Tilly, Chartered Accountants, as auditors will be put to the members at the annual general meeting.

By order of the Board



J K Wilkie

Secretary

20 March 1995

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS for the 14 month period ended 31st December 1994

Company law requires the directors to prepare financial statements for each financial period 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 :-

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and estimates that are reasonable and prudent;
- c. state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- d. 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 requirements of the Companies Act 1985. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

**AUDITORS' REPORT TO THE MEMBERS OF NOVUS SYSTEMS TECHNOLOGY
LIMITED AND SUBSIDIARY UNDERTAKINGS**

We have audited the financial statements on pages 6 to 22.

Respective responsibilities of directors and auditors

As described on page 4 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.

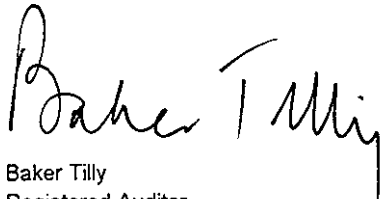
Basis of opinion

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices 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 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 the affairs of the company and of the group at 31st December 1994 and of the group profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Baker Tilly
Registered Auditor
Chartered Accountants
The Clock House
140 London Road
Guildford
Surrey GU1 1UW

20 March 1995

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

PROFIT AND LOSS ACCOUNT

for the 14 month period ended 31st December 1994

	Notes	1994	Year ended 31st October 1993
TURNOVER	1	5,220,751	3,818,095
Cost of Sales		2,297,973	1,796,071
Gross Profit		<u>2,922,778</u>	<u>2,022,024</u>
Other Operating Expenses (net)	2	1,838,194	1,397,027
OPERATING PROFIT		<u>1,084,584</u>	<u>624,997</u>
Investment Income	3	40,759	18,473
		<u>1,125,343</u>	<u>643,470</u>
Interest Payable	4	5,725	5,392
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	5	<u>1,119,618</u>	<u>638,078</u>
Taxation	7	393,823	216,733
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		<u>725,795</u>	<u>421,345</u>
Minority Interest	17	-	27,172
PROFIT ATTRIBUTABLE TO MEMBERS OF THE PARENT COMPANY	8	<u>725,795</u>	<u>394,173</u>
Dividends	9	-	75,000
RETAINED PROFIT FOR THE PERIOD/YEAR	18	<u>£ 725,795</u>	<u>£ 319,173</u>

The result for the period arises from the groups continuing operations.

No separate statement of Total Recognised Gains and Losses has been presented as all such gains and losses have been dealt with in the Profit and Loss account.

31st December 1994

Approved by the Board on 20 March 1995.

Leslie Hay

Directors

NOVUS SYSTEMS TECHNOLOGY LIMITED

BALANCE SHEET
31st December 1994

	Notes	1994	31st October 1993
FIXED ASSETS			
Intangible assets	10a	133,879	-
Tangible assets	10b	144,186	105,947
Investments	10c	97,090	97,090
		<u>375,155</u>	<u>203,037</u>
CURRENT ASSETS			
Debtors	12	1,663,415	1,212,748
Cash at Bank and In Hand		261,213	534,823
		<u>1,924,628</u>	<u>1,747,571</u>
CREDITORS			
Amounts falling due within one year	13	806,816	855,782
NET CURRENT ASSETS		<u>1,117,812</u>	<u>891,789</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		1,492,967	1,094,826
CREDITORS			
Amounts falling due after more than one year	14	17,601	5,094
PROVISIONS FOR LIABILITIES AND CHARGES			
	15	-	-
		<u>£ 1,475,366</u>	<u>£ 1,089,732</u>
CAPITAL AND RESERVES			
Called up Share Capital	16	150,000	150,000
Profit and Loss Account	18	1,325,366	939,732
		<u>£ 1,475,366</u>	<u>£ 1,089,732</u>

Approved by the Board on 20 March 1995.

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Leslie Ho

Directors

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

GROUP CASH FLOW STATEMENT

for the 14 month period ended 31st December 1994

	Notes	1994	Year ended 31st October 1993
NET CASH FLOW FROM OPERATING ACTIVITIES	1	931,689	627,293
RETURNS ON INVESTMENTS AND SERVICING FINANCE			
Investment income		35,346	17,325
Interest paid on bank overdraft		(105)	(2,718)
Hire purchase interest		(3,489)	(608)
Other interest paid		(2,231)	(4,919)
Dividends paid		-	(75,000)
Net cash flow from returns on investments and servicing finance		<u>29,521</u>	<u>(65,920)</u>
TAXATION			
Corporation tax paid		(188,060)	(65,373)
INVESTING ACTIVITIES			
Purchase of fixed assets		(153,851)	(72,755)
Development costs incurred		(155,472)	-
Sale of fixed assets		33,954	16,000
Purchase of minority interest		-	(96,096)
Loan to parent company		(500,000)	-
Net cash flow from investing activities		<u>(775,369)</u>	<u>(152,851)</u>
Net cash flow before financing		<u>(2,219)</u>	<u>343,149</u>
FINANCING			
Loans repaid		-	(15,000)
Lease purchase		(25,687)	(3,639)
Net cash flow from financing		<u>(25,687)</u>	<u>(18,639)</u>
(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	2	£ <u>(27,906)</u>	£ <u>324,510</u>

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE CASH FLOW STATEMENT

for the 14 month period ended 31st December 1994

	1994	Year ended 31st October 1993	
1 RECONCILIATION OF OPERATING PROFIT TO NET CASH FLOWS FROM OPERATING ACTIVITIES			
Operating profit	1,084,584	624,997	
Depreciation	149,498	85,843	
Profit on sale of fixed assets	(25,249)	(7,824)	
Increase in stocks	(17,656)	(21,449)	
Increase in debtors	(41,455)	(446,693)	
(Decrease)/increase in creditors	(218,033)	392,419	
	<u>£ 931,689</u>	<u>£ 627,293</u>	
2 ANALYSIS OF CHANGES IN CASH EQUIVALENTS DURING THE PERIOD			
Balance at 1 November 1993	554,163	229,653	
Net cash (outflow)/inflow	(27,906)	324,510	
Balance at 31 December 1994	<u>£ 526,257</u>	<u>£ 554,163</u>	
3 ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS AS SHOWN IN THE BALANCE SHEET			
	1994	1993	Change in year
Cash at bank and in hand	526,257	554,163	(27,906)
Bank overdraft	-	-	-
	<u>£ 526,257</u>	<u>554,163</u>	<u>(27,906)</u>
4 ANALYSIS OF CHANGES IN FINANCING DURING THE PERIOD			
		Share capital	
Financing at 1 November 1993 and 31 December 1994	£	150,000	

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

Financial Statements for the 14 month period ended 31st December 1994

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

FIXED ASSETS

Fixed assets are stated at historical cost.

TANGIBLE ASSETS

Depreciation is provided on all tangible fixed assets at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:-

Motor vehicles	at 25%-33% per annum
Computer equipment	at 25%-50% per annum
Fixtures and Fittings	at 15%-30% per annum

INTANGIBLE ASSETS

No depreciation is provided on Intellectual Property Rights as in the opinion of the directors the estimated residual value is not less than the book value.

Software development expenditure is amortised in line with sales from the related product.

STOCKS

Stocks are valued at the lower of cost and net realisable value. Cost of finished goods includes overheads appropriate to the stage of manufacture. Net realisable value is based upon estimated selling price less further costs expected to be incurred to completion and disposal. Provision is made for obsolete and slow-moving items.

LONG TERM WORK IN PROGRESS

Long-term contracts are assessed on a contract by contract basis and reflected in the profit and loss account by recording turnover and related costs as contract activity progresses. Turnover is ascertained in a manner appropriate to the state of completion of the contract, based on costs incurred to date and estimated costs to completion.

Where the outcome of a long-term contract can be assessed with reasonable certainty the attributable profit is recognised in the profit and loss account as the difference between the reported turnover and related costs for that contract.

DEFERRED TAXATION

Provision is made for taxation deferred or accelerated by the effect of timing differences, to the extent that it is probable that a liability will crystallise, at the rate expected to be ruling at that date.

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

Financial Statements for the 14 month period ended 31st December 1994

ACCOUNTING POLICIES

LEASED ASSETS AND OBLIGATIONS

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as obligations to the lessor.

Lease payments are treated as consisting of capital and interest elements, and the interest is charged to the profit and loss account on a straight line basis.

All other leases are "operating leases" and the annual rentals are charged to profit and loss on a straight line basis over the lease term.

GOVERNMENT GRANTS

Government grants on capital expenditure are credited to a deferral account and are released to revenue by equal annual amounts over the expected useful life of the asset to which they relate. Grants of a revenue nature are credited to income in the period to which they relate.

RESEARCH AND DEVELOPMENT

Development expenditure is carried forward when its future recoverability can be foreseen with reasonable assurance and is amortised in line with sales from the related product. All other development costs are written off as incurred.

FOREIGN CURRENCIES

Assets and liabilities denominated in foreign currencies are converted at the rates of exchange ruling at the balance sheet date.

Transactions during the year are recorded at the exchange rates ruling at the dates of the transactions. All differences are taken to the profit and loss account.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

BASIS OF CONSOLIDATION

The consolidated financial statements incorporate those of Novus Systems Technology Limited and all of its subsidiary undertakings. Subsidiaries acquired during the period are consolidated using the acquisition method. Their results are incorporated from the date of acquisition and their assets and liabilities at fair value to the group. No profit and loss account is presented for Novus Systems Technology Limited as provided by S.230 of the Companies Act 1985.

PURCHASED GOODWILL

Goodwill representing the excess of the purchase price compared with the fair value of assets acquired is written off against reserves in the period of acquisition.

INVESTMENTS

Participating interests are stated at cost.

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

for the 14 month period ended 31st December 1994

	1994	Year ended 31st October 1993
1		
TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
The company's turnover and profit before taxation were all derived from its principal activity after deduction of trade discounts and value added tax. Sales were made in the following geographical markets:		
United Kingdom	2,896,861	2,406,930
North and South America	360,263	601,937
Europe	1,881,320	717,782
Australia and Far East	82,307	91,446
	<u>£ 5,220,751</u>	<u>£ 3,818,095</u>
2		
OTHER OPERATING EXPENSES		
Distribution and marketing	265,279	318,253
Administration expenses	1,572,915	1,078,774
	<u>£ 1,838,194</u>	<u>£ 1,397,027</u>
3		
INVESTMENT INCOME		
Other interest receivable	23,397	17,125
Other interest receivable from Group undertakings	17,362	1,348
	<u>£ 40,759</u>	<u>£ 18,473</u>
4		
INTEREST PAYABLE		
On bank loans, overdrafts and other loans wholly repayable within five years.		
Bank interest	5	2,673
Finance leases/HP contracts	3,489	608
Other interest	2,231	2,111
	<u>£ 5,725</u>	<u>£ 5,392</u>

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

for the 14 month period ended 31st December 1994

	1994	Year ended 31st October 1993
5 PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		
Profit on ordinary activities before taxation is stated after charging/(crediting):		
Government grants receivable	(67,173)	(9,162)
Depreciation and amounts written off tangible fixed assets:		
Charge for the period:		
owned assets	108,422	81,520
leased assets	19,483	4,323
profit on disposals	(25,249)	(7,824)
Research and development:		
Amortisation	21,593	-
Exchange (gains)/losses	(815)	11,369
Operating lease rentals:		
Plant and machinery	60,356	25,475
Buildings	152,065	84,708
Auditors' remuneration	22,800	17,867
	<u>2,362,447</u>	<u>1,661,734</u>
6 EMPLOYEES		
The average weekly number of persons (including directors) employed by the company during the period was :		
Office management	20	18
Professional	49	45
	<u>69</u>	<u>63</u>
Staff costs for the above persons:		
Wages and salaries	2,095,280	1,468,246
Social security costs	215,398	149,255
Other Pension costs	51,769	44,233
£	<u>2,362,447</u>	<u>£ 1,661,734</u>

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

for the 14 month period ended 31st December 1994

	1994	Year ended 31st October 1993
DIRECTORS' REMUNERATION		
Other emoluments(including pension contributions and benefits in kind)	£ <u>309,029</u>	£ <u>225,338</u>
The directors' fees and other emoluments disclosed above(excluding pension contributions) in the following ranges was:		
The Chairman	£ <u>72,037</u>	£ <u>48,055</u>
The Managing Director	£ <u>68,104</u>	£ <u>47,689</u>
The number of other directors who received emoluments (excluding pension contributions) in the following ranges was:	No.	No.
£0 -£20000	1	1
£35001-£40000	-	1
£45001-£50000	-	1
£50001-£55000	1	-
£65001-£70000	<u>1</u>	<u>-</u>
7 TAXATION		
Based on the profit of the period:		
UK Corporation tax at 33%(1993-33%)	398,763	218,000
Over provided in earlier years	(4,940)	(1,267)
	£ <u>393,823</u>	£ <u>216,733</u>
8 PROFIT ATTRIBUTABLE TO THE MEMBERS OF THE PARENT COMPANY		
Dealt with in the financial statements of the parent company	385,634	176,993
Retained by subsidiary undertakings	340,161	217,180
	£ <u>725,795</u>	£ <u>394,173</u>
9 DIVIDENDS		
Ordinary:		
No dividend paid during period (1993-12.5p per share)	£ <u>-</u>	£ <u>75,000</u>

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the 14 month period ended 31st December 1994

10a. INTANGIBLE FIXED ASSETS

<u>Group</u>	Software development	Intellectual property rights	TOTAL
Cost:			
1st November 1993	-	1,001	1,001
Additions	155,472	-	155,472
Disposals	-	-	-
31st December 1994	<u>155,472</u>	<u>1,001</u>	<u>156,473</u>
Amounts written off:			
1st November 1993	-	-	-
Charged in the period	21,593	-	21,593
Disposals	-	-	-
31st December 1994	<u>21,593</u>	<u>-</u>	<u>21,593</u>
Net Book Value:			
31st December 1994	<u>133,879</u>	<u>1,001</u>	£ <u>134,880</u>
31st October 1993	<u>-</u>	<u>1,001</u>	£ <u>1,001</u>
<u>Company</u>	Software development		TOTAL
Cost:			
1st November 1993	-		-
Additions	155,472		155,472
Disposals	-		-
31st December 1994	<u>155,472</u>		<u>155,472</u>
Amounts written off:			
1st November 1993	-		-
Charged in the period	21,593		21,593
Disposals	-		-
31st December 1994	<u>21,593</u>		<u>21,593</u>
Net Book Value:			
31st December 1994	<u>133,879</u>		£ <u>133,879</u>
31st October 1993	<u>-</u>		£ <u>-</u>

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

for the 14 month period ended 31st December 1994

10b. TANGIBLE FIXED ASSETS

Group	Computer equipment	Motor Vehicles	Fixtures & Fittings	TOTAL
Cost:				
1st November 1993	422,428	146,694	138,496	707,618
Additions	115,808	78,246	18,966	213,020
Disposals	(61,529)	(115,141)	-	(176,670)
31st December 1994	476,707	109,799	157,462	743,968
Depreciation:				
1st November 1993	335,366	133,603	108,423	577,392
Charged in the period	81,514	27,622	18,769	127,905
Disposals	(61,116)	(106,849)	-	(167,965)
31st December 1994	355,764	54,376	127,192	537,332
Net Book Value:				
31st December 1994	120,943	55,423	30,270	£ 206,636
31st October 1993	87,062	13,091	30,073	£ 130,226

Company	Computer equipment	Motor Vehicles	Fixtures & Fittings	TOTAL
Cost:				
1st November 1993	382,513	122,644	128,927	634,084
Additions	77,321	50,741	16,101	144,163
Disposals	(61,029)	(91,091)	-	(152,120)
31st December 1994	398,805	82,294	145,028	626,127
Depreciation:				
1st November 1993	317,694	110,133	100,310	528,137
Charged in the period	60,931	19,531	17,269	97,731
Disposals	(60,616)	(83,311)	-	(143,927)
31st December 1994	318,009	46,353	117,579	481,941
Net Book Value:				
31st December 1994	80,796	35,941	27,449	£ 144,186
31st October 1993	64,819	12,511	28,617	£ 105,947

The net book value of Motor Vehicles includes £35,941 (1993:£8,777) relating to assets acquired under finance leases and hire purchase contracts.

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS
for the 14 month period ended 31st December 1994

10c. UNLISTED INVESTMENTS

Company	Subsidiaries
COST	£
1st November 1993	97,090
Additions	-
Disposals	-
NET BOOK VALUE	
At 31st December 1994	£ 97,090
31st October 1993	£ 97,090

The company held more than 10% of the allotted share capital and no loan capital of the following companies.

Name of Company	Country of Incorporation	Class of Share held	Proportion held	Nature of Business
Reservation Network Systems Ltd	England	Ordinary	100.0%	Dormant
Novus Networks Ltd	England	Ordinary	100.0%	Data network controllers
Warprest Ltd	England	Ordinary	100.0%	Dormant
Marben Ltd	England	Ordinary	100.0%	Dormant
Novus Consulting Ltd	England	Ordinary	100.0%	Dormant

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

for the 14 month period ended 31st December 1994

	GROUP		COMPANY	
	1994	Year ended 31st October 1993	1994	Year ended 31st October 1993
	£	£	£	£
11 STOCK				
Goods for re-sale.	87,430	69,774	-	-
	87,430	69,774	-	-
12 DEBTORS				
Due within one year:				
Trade debtors	1,411,359	1,579,249	787,751	1,046,228
Amounts due from subsidiary undertakings	-	-	63,952	48,442
Amounts due from fellow subsidiary undertakings	125,914	7,552	117,352	7,552
Amounts due from group undertaking	21,026	-	21,026	-
Loan to group undertaking	500,000	-	500,000	-
Amounts recoverable under contracts	85,000	79,000	85,000	79,000
Other debtors	16,345	15,800	545	-
Prepayments and accrued income	115,849	47,024	87,789	31,526
	2,275,493	1,728,625	1,663,415	1,212,748

Amounts recoverable under contracts relate to long-term contracts accounted for in accordance with Statement of Standard Accounting Practice No.9 (Long-term work-in-progress) as follows:-

Cumulative turnover	813,000	234,000	813,000	234,000
Total payments made on account	728,000	155,000	728,000	155,000
	85,000	79,000	85,000	79,000

13 CREDITORS				
Amounts falling due within one year:				
Payments on account	74,000	251,000	70,000	251,000
Obligations under finance leases	16,914	4,367	16,914	4,367
Trade creditors	116,090	248,098	96,121	151,183
Amounts due to subsidiary undertakings	-	-	85	85
Amounts due to fellow subsidiary undertakings	64,756	24,191	64,756	24,191
Amounts due to group undertaking	49,350	671	49,350	671
Corporation tax	398,763	193,000	212,387	69,500
Other taxation and social security	140,186	218,226	72,753	153,093
Other creditors	28,055	29,944	24,706	28,763
Accruals and deferred income	324,998	235,010	199,744	172,929
	1,213,112	1,204,507	806,816	855,782

Payments on account relate to long-term contracts accounted for in accordance with Statement of Standard Accounting Practice No.9 (Long-term work-in-progress) as follows:-

Total payments made on account	622,000	507,000	476,000	507,000
Cumulative turnover	548,000	256,000	406,000	256,000
	74,000	251,000	70,000	251,000

There is a cross guarantee in place between Novus Systems Technology Limited and Novus Networks Limited, in relation to any indebtedness to the bank.

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

for the 14 month period ended 31st December 1994

	GROUP		COMPANY	
	1994	Year ended 31st October 1993	1994	Year ended 31st October 1993
	£	£	£	£
14 CREDITORS				
Amounts falling due after more than one year:				
Obligations under finance leases	17,601	5,094	17,601	5,094
Repayable by instalments:				
Obligations under finance leases:				
between 2 and 5 years	17,601	5,094	17,601	5,094
15 PROVISIONS FOR LIABILITIES AND CHARGES				
Deferred taxation provided in the financial statements and the unprovided potential asset are as follows:-				
Group	Amount provided		Unprovided liability/(asset)	
	1994	Year ended 31st October 1993	1994	Year ended 31st October 1993
Excess of tax allowances over depreciation	-	-	(25,217)	(24,775)
Other timing differences	-	-	(2,500)	500
	-	-	(27,717)	(24,275)
Company	Amount provided		Unprovided liability/(asset)	
	1994	Year ended 31st October 1993	1994	Year ended 31st October 1993
Excess of tax allowances over depreciation	-	-	(20,800)	(21,400)
Other timing differences	-	-	(2,500)	500
	-	-	(23,300)	(20,900)
16 SHARE CAPITAL				
Authorised:		1994		Year ended 31st October 1993
4,000,000 ordinary shares of 25p each	£	1,000,000	£	1,000,000
Allotted, issued and fully paid:				
600,000 ordinary shares of 25p each	£	150,000	£	150,000
17 MINORITY INTEREST				
1st November 1993		-		6,414
Minority interest in profit for the year		-		27,172
Disposal of minority interest during year		-		(33,586)
31st December 1994	£	-	£	-

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

for the 14 month period ended 31st December 1994

18 RESERVES

Group	Profit and Loss Account	
1st November 1993	1,124,188	867,525
Addition for the period	725,795	319,173
Goodwill written-off on purchase of Minority Interest	-	(62,510)
31st December 1994	£ 1,849,983	£ 1,124,188
Company		
1st November 1993	939,732	837,738
Addition for the period	385,634	101,994
31st December 1994	£ 1,325,366	£ 939,732

19 PENSION COMMITMENTS

During the period the company paid contributions into certain directors' personal pension plans. These are charged to the profit and loss account as disclosed in note 6 as "Other Pension costs".

	GROUP		COMPANY	
	Year ended 31st October	Year ended 31st October	Year ended 31st October	Year ended 31st October
	1994	1993	1994	1993
	£	£	£	£
20 CAPITAL COMMITMENTS				
Capital expenditure contracted for but not provided in the financial statements	-	-	-	-
Capital expenditure authorised by the directors but not contracted	-	-	-	-
Commitments under finance leases entered into but not yet provided in the financial statements	-	-	-	-

21 COMMITMENTS UNDER OPERATING LEASES

At 31st December 1994 the company had annual commitments under non-cancellable operating leases as follows:

Buildings

expiring between 2 and 5 years
expiring after 5 years

88,218	36,816	39,000	-
75,495	75,495	75,495	75,495
163,713	112,311	114,495	75,495

Plant and Machinery:

expiring within one year
expiring between 2 and 5 years

10,504	-	10,504	-
66,417	19,181	66,417	19,181
76,921	19,181	76,921	19,181

NOVUS SYSTEMS TECHNOLOGY LIMITED AND SUBSIDIARY UNDERTAKINGS

NOTES TO THE FINANCIAL STATEMENTS

for the 14 month period ended 31st December 1994

22 PARENT COMPANY

The company's ultimate parent company is Societe Internationale de Telecommunications Aeronautiques (SITA), a Belgian cooperative company.

The largest group in which the results of the company are consolidated is that headed by Compagnie Internationale de Participations SA (CIP), a wholly owned subsidiary of SITA, which is registered in Belgium. The consolidated accounts of this group are available to the public and may be obtained from 55 boulevard General WAHIS, 1050 Brussels.

23 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	1994	Year ended 31st October 1993
Profit for the financial period	725,795	394,173
Dividends	-	75,000
	<u>725,795</u>	<u>319,173</u>
Other recognised gains and losses relating to the period		
Goodwill written off	-	62,510
Net addition to shareholders' funds	<u>725,795</u>	<u>256,663</u>
Opening shareholders' funds	<u>1,274,188</u>	<u>1,017,525</u>
Closing shareholders' funds	<u>£ 1,999,983</u>	<u>£ 1,274,188</u>