

1608093

Optichrome Computer Systems Limited

Report and Financial Statements

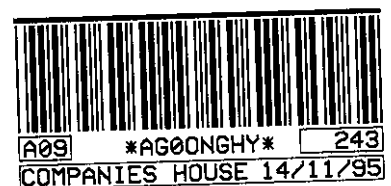
Year Ended

30 April 1995

**REGISTRAR OF
COMPANIES**

IBDO

BDO Stoy Hayward
Chartered Accountants



OPTICHROME COMPUTER SYSTEMS LIMITED

Annual report and financial statements for the year ended 30 April 1995

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Directors

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Directors

E Stephens
M K Godding
E P Harding
A R Kassas
N J Tyler
J P Spring

Secretary and registered office

K I Godding, 98 Maybury Road, Woking, Surrey, GU21 5HX

Company number

1608093

Auditors

BDO Stoy Hayward, 8 Baker Street, London, W1M 1DA.

OPTICHROME COMPUTER SYSTEMS LIMITED

Report of the directors for the year ended 30 April 1995

The directors present their annual report together with the audited financial statements for the year ended 30 April 1995.

Principal activities, trading review and future developments

The principal activities of the group are the development of computer software, sale of computer hardware and software and its subsequent maintenance; the selling of its products through distribution agreements overseas and acting as general printers and manufacturers of plastic presentation products.

The group has reported increased profits for the year and the directors are confident that this trend will continue in the coming year.

Results and dividends

The consolidated profit and loss account is set out on page 3 and shows the profit for the year.

The directors do not recommend the payment of a final dividend for the year under review. Interim dividends totalling £120 per share were paid during the year.

Fixed assets

Movements on fixed assets are shown in notes 10 and 11 to the financial statements.

Directors

The directors of the company during the year and their interests in the ordinary share capital of the company were:

| | 1995 | 1994 |
|-------------|-------------|-------------|
| E Stephens | 500 | 500 |
| M K Godding | - | - |
| E P Harding | - | - |
| A R Kassas | - | - |
| N J Tyler | - | - |
| J P Spring | - | - |

OPTICHROME COMPUTER SYSTEMS LIMITED

Report of the directors for the year ended 30 April 1995 (Continued)

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 of the profit or loss of the company 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Auditors

BDO Stoy Hayward have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

By order of the board

K I Godding

Secretary

Date


18 OCT 1995

OPTICHRONE COMPUTER SYSTEMS LIMITED

Consolidated profit and loss account for the year ended 30 April 1995

| | Note | 1995 | 1994 |
|--|------|------------------|------------------|
| | | £ | £ |
| Turnover | 2 | 4,252,311 | 3,552,256 |
| Cost of sales | | <u>2,660,360</u> | <u>2,348,021</u> |
| Gross profit | | 1,591,951 | 1,204,235 |
| Distribution costs | | 259,809 | 214,601 |
| Administrative expenses | | <u>940,897</u> | <u>777,670</u> |
| | | <u>1,200,706</u> | <u>992,271</u> |
| | | 391,245 | 211,964 |
| Other operating income | | | |
| Plant rental | | 243,178 | 193,698 |
| Rent receivable | | 10,553 | 4,835 |
| Profit on disposal of fixed assets | | <u>4,119</u> | <u>62,093</u> |
| | | <u>257,850</u> | <u>260,626</u> |
| Operating profit | | 649,095 | 472,590 |
| Dividends received | | 8 | 8 |
| Interest receivable | | 12,867 | 2,487 |
| Interest payable | 4 | <u>(24,248)</u> | <u>(28,074)</u> |
| | | <u>(11,373)</u> | <u>(25,579)</u> |
| Profit on ordinary activities before taxation | 5 | 637,722 | 447,011 |
| Taxation on profit from ordinary activities | 7 | <u>221,290</u> | <u>136,767</u> |
| Profit on ordinary activities after taxation | | 416,432 | 310,244 |
| Minority interests | | <u>18,782</u> | <u>19,189</u> |
| Profit for the year | | 397,650 | 291,055 |
| Dividends | 8 | <u>60,000</u> | <u>60,000</u> |
| Retained profit for the year | 19 | 337,650 | 231,055 |
| Profit for the year retained by: | | | |
| Parent company | | 265,368 | 168,503 |
| Subsidiary undertakings | | <u>72,282</u> | <u>62,552</u> |
| | | <u>337,650</u> | <u>231,055</u> |

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The profit for the year represents the movement in shareholders' funds.

The notes on pages 7 to 20 form part of these financial statements

OPTICHROME COMPUTER SYSTEMS LIMITED

Consolidated balance sheet at 30 April 1995

| | Note | 1995 | 1994 |
|--|------|------------------|------------------|
| | | £ | £ |
| Fixed assets | | | |
| Tangible assets | 10 | 1,384,693 | 1,791,716 |
| Current assets | | | |
| Investments | 12 | 5,634 | 5,634 |
| Stocks | 13 | 120,255 | 99,775 |
| Debtors | 14 | 1,069,730 | 841,710 |
| Cash at bank and in hand | | <u>535,387</u> | <u>15,643</u> |
| | | 1,731,006 | 962,762 |
| Creditors: amounts falling due within one year | 15 | <u>1,659,220</u> | <u>1,464,939</u> |
| Net current assets/(liabilities) | | <u>71,786</u> | <u>(502,177)</u> |
| Total assets less current liabilities | | 1,456,479 | 1,289,539 |
| Creditors: amounts falling due after more than one year | 16 | 198,034 | 338,687 |
| Provision for liabilities and charges | | | |
| Deferred taxation | 17 | <u>118,555</u> | <u>167,394</u> |
| | | <u>316,589</u> | <u>506,081</u> |
| | | 1,139,890 | 783,458 |
| Capital and reserves | | | |
| Called up share capital | 18 | 500 | 500 |
| Profit and loss account | 19 | 1,054,655 | 717,005 |
| Capital reserve arising on consolidation | | <u>14,710</u> | <u>14,710</u> |
| Shareholders' funds | | 1,069,875 | 732,215 |
| Minority interests | | <u>70,025</u> | <u>51,243</u> |
| | | 1,139,890 | 783,458 |

All amounts within shareholders' funds are equity.

These financial statements were approved by the Board on 18 OCT 1995

E Stephens)

) Directors

M K Godding)

The notes on pages 7 to 20 form part of these financial statements.

OPTICHROME COMPUTER SYSTEMS LIMITED

Balance sheet at 30 April 1995

| | Note | £ | 1995 £ | £ | 1994 £ |
|--|------|------------------|----------------|------------------|------------------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 947,459 | | 1,298,325 |
| Investments | 11 | | <u>113,415</u> | | <u>112,913</u> |
| | | | 1,060,874 | | 1,411,238 |
| Current assets | | | | | |
| Investments | 12 | 5,634 | | 5,634 | |
| Stocks | 13 | 60,873 | | 37,299 | |
| Debtors | 14 | 813,577 | | 665,709 | |
| Cash at bank and in hand | | <u>532,850</u> | | <u>2,513</u> | |
| | | 1,412,934 | | 711,155 | |
| Creditors: amounts falling due within one year | 15 | <u>1,305,904</u> | | <u>1,091,566</u> | |
| Net current assets/(liabilities) | | | <u>107,030</u> | | <u>(380,411)</u> |
| | | | 1,167,904 | | 1,030,827 |
| Creditors: amounts falling due after more than one year | 16 | 151,602 | | 248,477 | |
| Provision for liabilities and charges | | | | | |
| Deferred taxation | 17 | <u>58,372</u> | | <u>89,788</u> | |
| | | | <u>209,974</u> | | <u>338,265</u> |
| | | | 957,930 | | 692,562 |
| Capital and reserves | | | | | |
| Called up share capital | 18 | | 500 | | 500 |
| Profit and loss account | 19 | | <u>957,430</u> | | <u>692,062</u> |
| Shareholders' funds | | | <u>957,930</u> | | <u>692,562</u> |

All amounts within shareholders' funds are equity.

These financial statements were approved by the Board on

18 OCT 1995

E Stephens)

) Directors

M K Godding)

The notes on pages 7 to 20 form part of these financial statements.

OPTICHRONE COMPUTER SYSTEMS LIMITED

Consolidated cash flow statement for the year ended 30 April 1995

| | Note | 1995 | 1994 |
|--|------|-----------|-----------|
| | | £ | £ |
| Net cash inflow from operating activities | 22 | 728,708 | 579,689 |
| Returns on investments and servicing of finance | | | |
| Interest received | | 12,867 | 2,487 |
| Interest paid | | (24,248) | (28,074) |
| Dividends paid | | (60,000) | (60,000) |
| Dividend received | | 8 | 8 |
| Net cash outflow from returns on investments and servicing of finance | | (71,373) | (85,579) |
| Tax paid | | (110,656) | (9,221) |
| Investing activities | | | |
| Payments to acquire fixed assets | | (110,063) | (448,567) |
| Receipts from sale of fixed assets | | 180,974 | 162,700 |
| Payments to acquire current investments | | - | (659) |
| Net cash inflow/(outflow) from investing activities | | 70,911 | (286,526) |
| Net cash inflow before financing | | 617,590 | 198,363 |
| Financing | | | |
| Capital element of hire purchase payments 23 | | (95,756) | (213,582) |
| Net cash outflow from financing | | (95,756) | (213,582) |
| Increase/(decrease) in cash and cash equivalents | 24 | 521,834 | (15,219) |

The notes on pages 7 to 20 form part of these financial statements.

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995

1 Accounting policies

These financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

Basis of consolidation

The consolidated accounts incorporate the financial statements of the parent company and its subsidiary undertakings made up to 30 April 1995.

The subsidiary undertaking's financial statements are prepared on the same basis as the parent company.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax.

Depreciation and amortisation

Depreciation and amortisation is provided to write off the cost, less estimated residual values, of all fixed assets over their expected useful lives. It is calculated on the original cost of the assets at the following annual rates:

| | |
|---|------------------------|
| Improvement to leasehold premises | - Over period of lease |
| Plant and equipment | - 20% - 33⅓% |
| Office equipment, fixtures and fittings | - 15% |
| Motor vehicles | - 20% - 25% |

Freehold land is not depreciated.

Stocks

Stocks are valued at the lower of cost, including attributable overheads, and net realisable value.

Net realisable value is based on estimated selling price less further costs to completion.

Deferred taxation

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, except that no provision is made where it can be reasonably foreseen that such deferred taxation will not be payable in the future.

Research and development expenditure

All such expenditure except that on capital equipment and licences to use software is written-off in the year it is incurred.

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (Continued)

1 Accounting policies (Continued)

Leased asset

Where assets are financed by hire purchase agreements that give rights approximate to ownership, the assets are treated as if purchased outright. The asset is recorded in the balance sheet as a tangible fixed asset and is depreciated over its estimated useful life.

Future instalments under such agreements, net of interest charge, are included within creditors. Rentals payable are apportioned between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the hire purchase agreement. The capital element reduces the outstanding obligations for future instalments.

All other leases are operating leases and their rentals are charged to the profit and loss account as incurred over the lease term.

2 Turnover and profits

| | Turnover | | Profit before tax | |
|--|------------------|------------------|-------------------|----------------|
| | 1995 | 1994 | 1995 | 1994 |
| | £ | £ | £ | £ |
| Turnover and profits before tax by activity: | | | | |
| Development and sale of computer software and sale of hardware and distribution overseas | 2,697,515 | 2,163,093 | 500,480 | 331,841 |
| General printers | 1,510,976 | 1,169,558 | 120,354 | 113,956 |
| Presentation products | 43,820 | 219,605 | 16,888 | 1,213 |
| | <u>4,252,311</u> | <u>3,552,256</u> | <u>637,722</u> | <u>447,010</u> |

Turnover is analysed by market below:

| | Turnover | |
|----------------|------------------|------------------|
| | 1995 | 1994 |
| | £ | £ |
| U.K. | 3,809,548 | 3,308,218 |
| Europe | 388,115 | 159,063 |
| Australia | 29,977 | 48,171 |
| Other overseas | 24,671 | 36,804 |
| | <u>4,252,311</u> | <u>3,552,256</u> |

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (Continued)

3 Employees

| | 1995 £ | 1994 £ |
|---|------------------|------------------|
| Staff costs (including directors) consist of: | | |
| Wages and salaries | 1,080,765 | 882,827 |
| Social security costs | 105,834 | 91,460 |
| Pension costs | 36,868 | 32,904 |
| | <u>1,223,467</u> | <u>1,007,191</u> |

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

| | Number | Number |
|-----------|-----------|-----------|
| Full time | 55 | 51 |
| | <u>55</u> | <u>51</u> |

4 Interest payable

| | £ | £ |
|------------------------|---------------|---------------|
| Hire purchase interest | 24,248 | 28,074 |
| | <u>24,248</u> | <u>28,074</u> |

5 Profit on ordinary activities before taxation

This is arrived at after charging:

| | | |
|---|----------------|----------------|
| Depreciation of tangible assets - owned and leased assets | 340,231 | 279,892 |
| Auditors' remuneration - audit services | 20,300 | 23,650 |
| Operating lease rental - premises | 28,000 | 28,000 |
| - other | 103,631 | 98,760 |
| | <u>592,162</u> | <u>430,302</u> |

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (Continued)

6 Directors' emoluments

| | 1995 £ | 1994 £ |
|--|-----------|-----------|
| Remuneration for management services | 260,174 | 171,598 |
| Emoluments (excluding pension contributions) of: Chairman | 19,482 | 19,482 |
| Highest paid director | 68,555 | 59,639 |
| The emoluments of the other directors (excluding pension contributions) fell within the ranges: | Number | Number |
| £ Nil - £ 5,000 | - | 1 |
| £15,001 - £20,000 | 1 | 1 |
| £30,001 - £35,000 | - | 1 |
| £40,001 - £45,000 | 1 | 1 |
| £50,001 - £55,000 | 1 | - |
| £56,001 - £60,000 | 1 | - |

7 Taxation on profit from ordinary activities

| | £ | £ |
|--|----------|---------|
| Corporation tax based at 33% (1994 - 33%) on profits for the year | 269,800 | 92,393 |
| Underprovision in prior year | 329 | 6,557 |
| Transfer (from)/to deferred taxation | (48,839) | 37,817 |
| | 221,290 | 136,767 |

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (*Continued*)

8 Dividends

| | 1995 £ | 1994 £ |
|---|-----------|-----------|
| Interim dividend of £120 (1994 - £120) per share - paid | 60,000 | 60,000 |

The dividends were paid as follows:

| | |
|---------------|------------------|
| £10 per share | 28 November 1994 |
| £32 per share | 9 January 1995 |
| £78 per share | 26 April 1995 |

9 Intangible assets

| Group and company | Licences £ |
|---------------------------------|---------------|
| <i>Cost</i> | |
| At beginning and end of year | 7,459 |
| <i>Amortisation</i> | |
| At beginning and end of year | 7,459 |
| <i>Net book value</i> | |
| At 1 May 1994 and 30 April 1995 | - |

OPTICHRONE COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (Continued)

10 Tangible assets

| Group | Freehold land £ | Improvement to leasehold premises £ | Plant and equipment £ | Office equipment, fixtures and fittings £ | Motor vehicles £ | Total £ |
|----------------------------|-----------------------|--|-----------------------------|---|------------------------|------------|
| <i>Cost</i> | | | | | | |
| At 1 May 1994 | 317,635 | 16,653 | 1,866,333 | 44,276 | 13,050 | 2,257,947 |
| Additions | - | - | 103,557 | 6,506 | - | 110,063 |
| Disposals | - | - | (232,938) | - | - | (232,938) |
| At 30 April 1995 | 317,635 | 16,653 | 1,736,952 | 50,782 | 13,050 | 2,135,072 |
| <i>Depreciation</i> | | | | | | |
| At 1 May 1994 | - | 5,482 | 421,184 | 38,478 | 1,087 | 466,231 |
| Provided for the year | - | 11,171 | 322,403 | 3,393 | 3,264 | 340,231 |
| Eliminated on disposals | - | - | (56,083) | - | - | (56,083) |
| At 30 April 1995 | - | 16,653 | 687,504 | 41,871 | 4,351 | 750,379 |
| <i>Net book value</i> | | | | | | |
| At 30 April 1995 | 317,635 | - | 1,049,448 | 8,911 | 8,699 | 1,384,693 |
| At 30 April 1994 | 317,635 | 11,171 | 1,445,149 | 5,798 | 11,963 | 1,791,716 |

The net book value of tangible fixed assets includes an amount of £432,556 (1994 - £547,570) in respect of assets held under hire purchase contracts. The related depreciation charge for the year was £115,014 (1994 - £115,014).

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (*Continued*)

10 Tangible assets (*Continued*)

Company

| | Freehold land £ | Plant and computer equipment £ | Office equipment £ | Total £ |
|-------------------------|-----------------------|---|--------------------------|------------|
| <i>Cost</i> | | | | |
| At 1 May 1994 | 317,635 | 1,234,884 | 16,062 | 1,568,581 |
| Additions | - | 29,762 | 2,288 | 32,050 |
| Disposals | - | (208,271) | - | (208,271) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 April 1995 | 317,635 | 1,056,375 | 18,350 | 1,392,360 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Depreciation</i> | | | | |
| At 1 May 1994 | - | 255,105 | 15,151 | 270,256 |
| Provided for the year | - | 210,171 | 503 | 210,674 |
| Eliminated on disposals | - | (36,029) | - | (36,029) |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 April 1995 | - | 429,247 | 15,654 | 444,901 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| <i>Net book value</i> | | | | |
| At 30 April 1995 | 317,635 | 627,128 | 2,696 | 947,459 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| At 30 April 1994 | 317,635 | 979,779 | 911 | 1,298,325 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

The net book value of tangible fixed assets includes an amount of £222,344 (1994 - £296,459) in respect of assets held under hire purchase contract. The related depreciation charge for the year was £74,115 (1994 - £74,115).

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (Continued)

11 Investments

| Group | Other Investments £ | | |
|------------------------------|--|------------------------------------|--------------------|
| <i>Cost</i> | | | |
| At beginning and end of year | | | 1,757 |
| <i>Provision</i> | | | |
| At beginning and end of year | | | 1,757 |
| <i>Net book value</i> | | | |
| At beginning and end of year | | | - |
| Company | Subsidiary undertakings £ | Other investments £ | Total £ |
| <i>Cost</i> | | | |
| At 1 May 1994 | 113,413 | 1,757 | 115,170 |
| Additions | 2 | - | 2 |
| At 30 April 1995 | 113,415 | 1,757 | 115,172 |
| <i>Provision</i> | | | |
| At 1 May 1994 | 500 | 1,757 | 2,257 |
| Release of provision | (500) | - | (500) |
| At 30 April 1995 | - | 1,757 | 1,757 |
| <i>Net book value</i> | | | |
| At 30 April 1995 | 113,415 | - | 113,415 |
| At 30 April 1994 | 112,913 | - | 112,913 |

OPTICHRONE COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (Continued)

11 Investments (Continued)

The following companies were subsidiary undertakings at the end of the year:

| | Country of registration | Proportion of equity held | Nature of business |
|---------------------------------------|-------------------------------|------------------------------|---------------------------------------|
| Subsidiary undertaking | | | |
| Optichrome Computer Solutions Limited | England | 100% | Software development |
| Bourne Press Limited | England | 76% | Printers |
| Mirage Presentations Limited | England | 100% | Presentation products; now dormant |
| Other investments | | | |
| Optichrome Computer Systems Pty | New South Wales, Australia | 10% | Distribution of computer software |

12 Current asset investments

| | 1995 £ | 1994 £ |
|--------------------------|-----------|-----------|
| Group and Company | | |
| Quoted securities | 5,634 | 5,634 |

The investments are quoted on the UK Stock Exchange and had a market value of £4,311 at 30 April 1995.

13 Stocks

| | 1995 | | 1994 | |
|---|----------------|---------------|---------------|---------------|
| | Group £ | Company £ | Group £ | Company £ |
| Computer hardware and software held for resale | 60,873 | 60,873 | 37,299 | 37,299 |
| Raw materials and consumables | 32,160 | - | 21,858 | - |
| Work in progress | 27,222 | - | 40,618 | - |
| | <u>120,255</u> | <u>60,873</u> | <u>99,775</u> | <u>37,299</u> |

There is no material difference between the replacement cost of stock and the amount at which they are included in the financial statements.

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (Continued)

14 Debtors

| | 1995 | | 1994 | |
|--|------------------|----------------|----------------|----------------|
| | Group £ | Company £ | Group £ | Company £ |
| Amounts receivable within one year | | | | |
| Trade debtors | 931,026 | 700,666 | 674,025 | 455,869 |
| Amount owed by subsidiary undertakings | - | 2,871 | - | 68,584 |
| Other debtors | 18,936 | 3,983 | 74,961 | 63,617 |
| Prepayments and accrued income | 119,768 | 106,057 | 92,724 | 77,639 |
| | <u>1,069,730</u> | <u>813,577</u> | <u>841,710</u> | <u>665,709</u> |

15 Creditors: amounts falling due within one year

| | 1995 | | 1994 | |
|--|------------------|------------------|------------------|------------------|
| | Group £ | Company £ | Group £ | Company £ |
| Bank overdraft | 1,035 | - | 3,125 | 3,125 |
| Trade creditors | 463,279 | 261,911 | 565,498 | 302,827 |
| Other creditors | 1,104 | 1,104 | - | - |
| Taxation and social security | 102,980 | 83,212 | 56,955 | 39,539 |
| Amount due to subsidiary undertaking | - | 5,655 | - | 4,766 |
| Corporation tax | 249,271 | 191,700 | 83,300 | 65,724 |
| ACT payable | 9,750 | 9,750 | 16,248 | 16,248 |
| Accruals and deferred income | 731,729 | 695,697 | 644,638 | 607,513 |
| Obligations under finance lease and hire purchase contracts | 100,072 | 56,875 | 95,175 | 51,824 |
| | <u>1,659,220</u> | <u>1,305,904</u> | <u>1,464,939</u> | <u>1,091,566</u> |

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (*Continued*)

16 Creditors: amounts falling due after more than one year

| | 1995 | | 1994 | |
|--|----------------|----------------|----------------|----------------|
| | Group £ | Company £ | Group £ | Company £ |
| Deferred income | 68,047 | 68,047 | 108,047 | 108,047 |
| Obligations under finance lease and hire purchase contracts | 129,987 | 83,555 | 230,640 | 140,430 |
| | <u>198,034</u> | <u>157,602</u> | <u>338,687</u> | <u>248,477</u> |
| Obligations under finance lease and hire purchase contracts are due as follows: | | | | |
| Within 1 - 2 years | 99,534 | 56,840 | 100,318 | 56,840 |
| Within 2 - 5 years | 30,453 | 26,715 | 130,322 | 83,590 |
| | <u>129,987</u> | <u>83,555</u> | <u>230,640</u> | <u>140,430</u> |

17 Deferred taxation

The potential liability for deferred taxation
and the amount provided in the accounts,
calculated at 33 % (1994 - 33 %) is as follows:

| | | | | |
|--------------------------------|----------------|---------------|----------------|---------------|
| Accelerated capital allowances | 135,517 | 75,334 | 167,394 | 89,788 |
| Other timing differences | (16,962) | (16,962) | - | - |
| | <u>118,555</u> | <u>58,372</u> | <u>167,394</u> | <u>89,788</u> |

18 Share capital

| | 1995 £ | 1994 £ |
|---|-----------|-----------|
| Group and company | | |
| <i>Authorised, allotted, called up and fully paid</i> | | |
| £1 ordinary shares | 500 | 500 |

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (Continued)

19 Profit and loss account

| | 1995 | | 1994 | |
|---------------------|-------------------|-------------------|-------------------|-------------------|
| | Group £ | Company £ | Group £ | Company £ |
| At 1 May 1994 | 717,005 | 692,062 | 485,950 | 523,559 |
| Profit for the year | 337,650 | 265,368 | 231,055 | 168,503 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| At 30 April 1995 | 1,054,655 | 957,430 | 717,005 | 692,062 |
| | <u> </u> | <u> </u> | <u> </u> | <u> </u> |

No profit and loss account is provided for Optichrome Computer Systems Limited as permitted by Section 230 of the Companies Act 1985.

The profit for the year dealt with in the accounts of the parent company is £324,868 (1994 - £227,763).

20 Operating lease commitments

At 30 April 1995 the group and company had annual commitments in respect of operating leases as follows:

| Group | 1995 Other assets £ | 1994 Property £ | Other assets £ |
|--------------------------------|------------------------------|-----------------------|----------------------|
| Operating leases which expire: | | | |
| Within one year | 29,152 | - | 8,224 |
| In two to five years | 41,856 | - | 66,880 |
| After five years | - | 28,000 | - |
| | <u> </u> | <u> </u> | <u> </u> |
| | 71,008 | 28,000 | 75,104 |
| | <u> </u> | <u> </u> | <u> </u> |
| Company | | | |
| Within one year | 28,108 | - | 8,224 |
| In two to five years | 41,856 | - | 66,880 |
| After five years | - | 28,000 | - |
| | <u> </u> | <u> </u> | <u> </u> |
| | 69,964 | 28,000 | 75,104 |
| | <u> </u> | <u> </u> | <u> </u> |

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (*Continued*)

21 Transactions in which directors have an interest

During the year the company made sales amounting to £258,193 (1994 - £207,847) and made purchases amounting to £178,781 (1994 - £226,596) from Optichrome Limited, a company in which E Stephens has substantial equity interests. At 30 April 1995 the company owed Optichrome Limited £1,104 (1994 debtor - £45,497).

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

| | 1995 £ | 1994 £ |
|------------------------------------|----------------|----------------|
| Operating profit | 649,095 | 472,589 |
| Depreciation | 340,231 | 279,892 |
| Profit on disposal of fixed assets | (4,119) | (62,093) |
| Increase in stocks | (20,480) | (19,221) |
| (Increase)/decrease in debtors | (228,020) | 85,088 |
| (Decrease) in creditors | (7,999) | (176,566) |
| | <u>728,708</u> | <u>579,689</u> |

23 Analysis of changes in financing

| | Hire purchase £ |
|--|-----------------------|
| At 30 April 1993 | 168,823 |
| New finance lease and hire purchase contracts entered into | 370,574 |
| Capital element of hire purchase payments | (213,582) |
| | <u>325,815</u> |
| At 30 April 1994 | 325,815 |
| Capital element of hire purchase payments | (95,756) |
| | <u>230,059</u> |

OPTICHROME COMPUTER SYSTEMS LIMITED

Notes forming part of the financial statements for the year ended 30 April 1995 (*Continued*)

24 Analysis of changes in cash and cash equivalents

| | 1995 £ | 1994 £ |
|--------------------------------------|-----------|-----------|
| At beginning of year | 12,518 | 27,737 |
| Net inflow/(outflow) during the year | 521,834 | (15,219) |
| | <hr/> | <hr/> |
| At end of year | 534,352 | 12,518 |
| | <hr/> | <hr/> |

25 Analysis of cash and bank balances

| | Cash and short term deposits £ | Bank overdraft £ | Total £ |
|------------------|---|------------------------|------------|
| At 30 April 1993 | 27,737 | - | 27,737 |
| Net cash outflow | (12,094) | (3,125) | (15,219) |
| | <hr/> | <hr/> | <hr/> |
| At 30 April 1994 | 15,643 | (3,125) | 12,518 |
| Net cash outflow | 519,744 | 2,090 | 521,834 |
| | <hr/> | <hr/> | <hr/> |
| At 30 April 1995 | 535,387 | (1,035) | 534,352 |
| | <hr/> | <hr/> | <hr/> |

OPTICHROME COMPUTER SYSTEMS LIMITED

Report of the auditors

To the shareholders of Optichrome Computer Systems Limited

We have audited the financial statements on pages 3 to 20 which have been prepared under the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the 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 an 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 group and company's affairs as at 30 April 1995 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



BDO STOY HAYWARD

*Chartered Accountants
and Registered Auditors*
London

18 October 1995