

FISHER TECHNOLOGY PLC
ACCOUNTS
FOR THE YEAR ENDED 30 APRIL 1998



FISHER TECHNOLOGY PLC
YEAR ENDED 30 APRIL 1998

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FISHER TECHNOLOGY PLC

DIRECTORS' REPORT

The directors present their report and accounts for the year ended 30 April 1998. The company was re-registered as a Public Limited Company on 4 September 1997.

PRINCIPAL ACTIVITIES

The principal activities of the company are that of Computer programmers, Consultants and Agents.

RESULTS AND DIVIDENDS

The trading profit for the year after taxation amounted to £10,767. The directors do not recommend the payment of a dividend.

REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were as expected; the company continued to achieve growth in turnover and to extend its client base. It has also been a year in which substantial investment was made in its infrastructure.

The company is well placed to take advantage of emerging and changing opportunities and the directors anticipate that the company's level of activity will continue to increase.

DIRECTORS AND THEIR INTERESTS

The directors at 30 April 1998, and their interests in the share capital of the company were as follows:

	Fully Paid Ordinary £1 Shares 1998	Part Paid Ordinary £1 Shares (50p paid) 1998	Fully Paid Ordinary £1 Shares 1997
P.A. BEER	*850	*41,650	*850
L.C. KUELSHEIMER	*850	*41,650	*850
D.W. BREGER	*850	*41,650	*850
A.R.W. PARFITT	-	-	-
R.G. FRANKS	150	7,350	150

*D.W. Breger, P.A. Beer and L.C. Kuelsheimer, together with others, are beneficially interested in a total of 42,500 Ordinary Shares (1997 : 850 ordinary shares).

A.R.W. Parfitt and R.G. Franks retire by rotation at the next Annual General Meeting and being eligible, offer themselves for re-election.

FISHER TECHNOLOGY PLC

DIRECTORS' REPORT (Continued)

CREDITOR PAYMENT POLICY AND PRACTICE

The company's current policy concerning the payment of trade creditors is to:

- (a) settle the terms of payment with suppliers when agreeing the terms of each transaction;
- (b) ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- (c) pay in accordance with the company's contractual and other legal obligations.

At 30 April 1998 the company had 45 days purchases outstanding based on the average daily amount invoiced by suppliers during the year to that date.

YEAR 2000 COMPLIANCE

We are in the process of assessing the risks to the business in detail. We are considering not only our own systems but also those of our major suppliers and customers. Once our assessment is complete we will develop detailed plans to deal with any such risks as are identified.

AUDITORS

A resolution proposing the re-appointment of Heywards as Auditors will be put to the members at the Annual General Meeting.

On behalf of the Board



D.W. BREGER
Director

Dated: 25th November 1998

FISHER TECHNOLOGY PLC

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare accounts 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 accounts 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 accounts;
- prepare the accounts 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 accounts 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.

REPORT OF THE AUDITORS

TO THE SHAREHOLDERS OF

FISHER TECHNOLOGY PLC

We have audited the accounts on pages 5 to 12 which have been prepared under the historical cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 the information in the accounts.

Opinion

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30 April 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.


HEYWARDS

Registered Auditor,
Chartered Accountants,
St Georges House,
15 Hanover Square,
London, W1R 0HE

Dated: 25th November 1998

FISHER TECHNOLOGY PLC
PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 1998

	Note	1998 £	1997 £
TURNOVER	2	786,291	608,238
Cost of Sales		(390,898)	(417,762)
		<hr/>	<hr/>
GROSS PROFIT		395,393	190,476
Administrative expenses		(381,670)	(169,543)
		<hr/>	<hr/>
OPERATING PROFIT	3	13,723	20,933
Interest Payable	4	(865)	(443)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		12,858	20,490
Tax on Profit on ordinary activities	5	(2,091)	(5,497)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		10,767	14,993
RETAINED PROFIT BROUGHT FORWARD		16,672	1,679
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		27,439	16,672
		<hr/> <hr/>	<hr/> <hr/>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

FISHER TECHNOLOGY PLC
BALANCE SHEET AT 30 APRIL 1998

	Note	£	1998 £	£	1997 £
FIXED ASSETS					
Tangible assets	6		32,236		18,319
CURRENT ASSETS					
Stocks	7		-	13,047	
Debtors	8	353,029		334,718	
Cash at Bank and in hand		4,727		8,420	
			<u>357,756</u>	<u>356,185</u>	
CREDITORS - Amounts falling due within one year	9	337,053		356,832	
			<u>357,756</u>	<u>356,185</u>	
NET CURRENT ASSETS/ (LIABILITIES)			20,703	(647)	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>52,939</u>	<u>17,672</u>	
CAPITAL AND RESERVES					
Called up share capital	10		25,500	1,000	
Profit and loss account			27,439	16,672	
SHAREHOLDERS' FUNDS (EQUITY INTERESTS)	11		<u>52,939</u>	<u>17,672</u>	



R.G. FRANKS
Director



D.W. BREGER
Director

Approved by the Board:

25th November 1998

FISHER TECHNOLOGY PLC

CASH FLOW STATEMENT

YEAR ENDED 30 APRIL 1998

	Note	£	1998 £	£	1997 £
NET CASH INFLOW FROM OPERATING ACTIVITIES	14		9,165		7,299
RETURNS ON INVESTMENTS AND SERVICING OF FINANCE					
Interest element of finance lease and hire purchase contracts		17		(443)	
Interest paid		(882)		-	
Net cash outflow from returns on investments and servicing of finance			(865)		(443)
CORPORATION TAX PAID			(5,230)		(308)
CAPITAL EXPENDITURE					
Payments to acquire tangible fixed assets		(29,929)		(11,480)	
Net cash outflow from capital expenditure			(29,929)		(11,480)
Net cash outflow before financing			(26,859)		(4,932)
FINANCING					
Issue of ordinary shares			24,500		-
Capital element of hire purchase contracts			(1,334)		(5,330)
NET CASH INFLOW FROM FINANCING			23,166		(5,330)
DECREASE IN CASH			(3,693)		(10,262)

FISHER TECHNOLOGY PLC
NOTES TO THE ACCOUNTS
YEAR ENDED 30 APRIL 1998

1. ACCOUNTING POLICIES

Basis of Preparation

The accounts are prepared under the historical cost convention and are in accordance with applicable accounting standards.

Stocks and Work in Progress

This comprises of stock and work in progress stated at the lower of cost and net realisable value.

Depreciation

Depreciation is provided on all tangible fixed assets at rates estimated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life, as follows:

Motor Vehicle	- 25%
Office Equipment	- 33 ¹ /3%

Deferred Taxation

Deferred taxation is provided at appropriate rates on all timing differences using the liability method only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

2. TURNOVER

Turnover represents the invoiced value of goods and services provided, excluding VAT, and arises mainly in the United Kingdom.

3. OPERATING PROFIT

	1998	1997
	£	£
Operating profit is stated after charging:		
Director's emoluments*	51,570	59,461
Company contributions to director's defined contribution pension scheme*	2,594	2,230
Depreciation	16,012	8,992
Auditors' remuneration	1,154	946
	<u>=====</u>	<u>=====</u>

Retirement benefits are accruing to one director under a defined contributions scheme.

*Director's emoluments and pension contributions represent fees paid in respect of directors' services provided by H W Fisher & Company.

4. INTEREST PAYABLE

	1998	1997
	£	£
Hire Purchase	(17)	443
Bank and Other	882	-
	<u>=====</u>	<u>=====</u>
	865	443

FISHER TECHNOLOGY PLC
NOTES TO THE ACCOUNTS
YEAR ENDED 30 APRIL 1998

5. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
The charge for the year comprises:		
Corporation Tax charge		
on results for the year at 21% (1997 : 24%)	2,235	5,374
(Over)/under provision in prior years	(144)	123
	<u>2,091</u>	<u>5,497</u>
	=====	=====

6. TANGIBLE FIXED ASSETS

	Motor Vehicle £	Office Equipment £	Total £
Cost			
At 1 May 1997	13,870	20,228	34,098
Additions	-	29,929	29,929
	<u>13,870</u>	<u>50,157</u>	<u>64,027</u>
	=====	=====	=====
At 30 April 1998	13,870	50,157	64,027
	<u>13,870</u>	<u>50,157</u>	<u>64,027</u>
	=====	=====	=====
Depreciation			
At 1 May 1997	8,752	7,027	15,779
Charge for the year	3,468	12,544	16,012
	<u>12,220</u>	<u>19,571</u>	<u>31,791</u>
	=====	=====	=====
At 30 April 1998	12,220	19,571	31,791
	<u>12,220</u>	<u>19,571</u>	<u>31,791</u>
	=====	=====	=====
Net Book Value			
At 30 April 1998	1,650	30,586	32,236
	<u>1,650</u>	<u>30,586</u>	<u>32,236</u>
	=====	=====	=====
At 30 April 1997	5,118	13,201	18,319
	<u>5,118</u>	<u>13,201</u>	<u>18,319</u>
	=====	=====	=====

The net book value and depreciation of tangible fixed assets held under hire purchase contracts was as follows:

	1998 £	1997 £
Net book value	-	5,118
	<u>-</u>	<u>5,118</u>
	=====	=====
Depreciation charge for the year	867	3,468
	<u>867</u>	<u>3,468</u>
	=====	=====

FISHER TECHNOLOGY PLC
NOTES TO THE ACCOUNTS
YEAR ENDED 30 APRIL 1998

7. STOCKS

	1998 £	1997 £
Work in progress	-	13,047
	<u>=====</u>	<u>=====</u>

8. DEBTORS

	1998 £	1997 £
Trade debtors	348,789	328,247
Other debtors	-	1,938
Prepayments	4,240	4,533
	<u>=====</u>	<u>=====</u>
	353,029	334,718
	<u>=====</u>	<u>=====</u>

9. CREDITORS - Amounts falling due within one year

	1998 £	1997 £
Trade creditors	69,159	92,315
Corporation tax	2,235	5,374
Amount due to firm under common control	170,212	200,817
Obligations under hire purchase contracts	-	1,334
Other taxes and social security costs	3,511	-
Accruals and deferred income	91,936	56,992
	<u>=====</u>	<u>=====</u>
	337,053	356,832
	<u>=====</u>	<u>=====</u>

The amount due to the firm under common control represents the current account balance with H.W. Fisher & Company, a firm of Chartered Accountants in which P.A. Beer, L.C. Kuelsheimer, D.W. Breger and A.R.W. Parfitt are partners.

FISHER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 1998

10. SHARE CAPITAL	1998	1997
	£	£
Authorised		
100,000 Ordinary shares of £1 each	100,000	100,000
	<u>=====</u>	<u>=====</u>
Allotted and issued		
1,000 Ordinary shares of £1 each fully paid	1,000	1,000
49,000 Ordinary shares of £1 each 50p part paid	24,500	-
	<u>-----</u>	<u>-----</u>
	25,500	1,000
	<u>=====</u>	<u>=====</u>

The share capital of the company was increased in September 1997 in order to comply with the requirements for a Public Limited Company.

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	1998	1997
	£	£
Profit for the financial year	10,767	14,993
Share capital issued	24,500	-
	<u>-----</u>	<u>-----</u>
Net additions to shareholders' funds	35,267	14,993
Opening shareholders' funds	17,672	2,679
	<u>-----</u>	<u>-----</u>
Closing shareholders' funds	52,939	17,672
	<u>=====</u>	<u>=====</u>

12. RELATED PARTY TRANSACTIONS

The company trades in the ordinary course of business on an arm's length basis with H.W. Fisher & Company, a firm of Chartered Accountants in which P.A. Beer, L.C. Kuelsheimer, D.W. Breger and A.R.W. Parfitt are partners.

During the period the company was charged £265,819 (1997 : £128,700) for rent and administration expenses including salaries and £Nil (1997 : £46,958) for consultancy fees by H.W. Fisher & Company.

A balance of £170,212 (1997 : £200,817) was owed by the company at the balance sheet date to H.W. Fisher & Company.

Turnover includes £82,349 (1997 : £13,497) for fees charged to H.W. Fisher & Company during the period.

FISHER TECHNOLOGY PLC

NOTES TO THE ACCOUNTS

YEAR ENDED 30 APRIL 1998

13. CONTROLLING PARTIES

The company is controlled by P.A. Beer, L.C. Kuelsheimer and D.W. Breger, together with some of the partners of H.W. Fisher & Company, Chartered Accountants.

14. NET CASH FLOW FROM OPERATING ACTIVITIES

	1998 £	1997 £
Reconciliation to operating profit:		
Operating profit	13,723	20,933
Depreciation	16,012	8,992
	<hr/>	<hr/>
	29,735	29,925
Movements in:		
Stock	13,047	(8,188)
Debtors	(18,311)	(272,337)
Creditors	(15,306)	257,899
	<hr/>	<hr/>
	9,165	7,299
	<hr/>	<hr/>

15. RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	1998 £	1997 £
Decrease in cash	(3,693)	(10,262)
Capital element of hire purchase rental payments	1,334	5,330
	<hr/>	<hr/>
Movement in net debt	(2,359)	(4,932)
Net debt at 1 May 1997	7,086	12,018
	<hr/>	<hr/>
Net debt at 30 April 1998	4,727	7,086
	<hr/>	<hr/>

16. ANALYSIS OF NET DEBT

	At 1 May 1997 £	Cash flow £	At 30 April 1998 £
Cash at bank and in hand	8,420	(3,693)	4,727
Hire purchase	(1,334)	1,334	-
	<hr/>	<hr/>	<hr/>
	7,086	(2,359)	4,727
	<hr/>	<hr/>	<hr/>

FISHER TECHNOLOGY PLC
TRADING AND PROFIT AND LOSS ACCOUNT
YEAR ENDED 30 APRIL 1998

	1998		1997	
	£	£	£	£
SALES		786,291		608,238
LESS: FEES PAYABLE	-		46,958	
PURCHASES	377,851		378,992	
	<u> </u>	(377,851)	<u> </u>	(425,950)
		<u> </u>		<u> </u>
		408,440		182,288
WORK IN PROGRESS				
Brought forward at 1 May 1997	13,047		4,859	
Carried forward at 30 April 1998	-		(13,047)	
	<u> </u>	13,047	<u> </u>	(8,188)
		<u> </u>		<u> </u>
		395,393		190,476
ADMINISTRATIVE EXPENSES				
Temporary staff	3,594		-	
Sundries	831		174	
Travel and Motor Expenses	7,240		4,821	
Staff Recruitment and Training	16,495		4,754	
Entertaining	961		69	
Audit and Accountancy	1,154		946	
Legal and Professional	-		1,900	
Consultancy	10,341		-	
Insurance	1,296		1,731	
Stationery and Printing	4,585		1,935	
Advertising and Marketing	19,889		4,542	
Computer Costs	11,646		4,968	
Bank Charges	779		265	
Other Interest	882		-	
Hire Purchase Interest	(17)		443	
Bad Debts	10,999		1,169	
Depreciation - Motor Cars	3,468		3,468	
- Office Equipment	12,544		5,524	
Telephone, Postage and Courier	4,724		2,787	
Overhead Contributions	265,819		128,700	
Subscriptions	1,023		1,568	
Books and Publications	553		222	
Repairs and renewals	3,729		-	
	<u> </u>	(382,535)	<u> </u>	(169,986)
		<u> </u>		<u> </u>
Profit on Ordinary Activities				
before Taxation		12,858		20,490
		<u> </u>		<u> </u>

FISHER TECHNOLOGY PLC
CORPORATION TAX CALCULATION
ACCOUNTING PERIOD 1 MAY 1997 TO 30 APRIL 1998

	£	£
Profit per accounts		12,858
Add: Entertaining	961	
Depreciation	16,012	
	<u> </u>	<u>16,973</u>
		29,831
Less: Capital Allowances		<u>(19,189)</u>
		<u>10,642</u>
		=====
Corporation tax payable		
Small Company Rate £10,642 x 21%	£2,234.82	
	<u> </u>	

CAPITAL ALLOWANCES COMPUTATION

	Pool £	Car over £12,000 £	Total Allowances £
Written down value brought forward	14,044	6,114	
Disposal Proceeds			
Additions for year : Pre 1 July 1997	3,262		
Additions for year : Post 1 July 1997	26,667		
	<u> </u>	<u> </u>	
Total	43,973	6,114	
Writing down allowance at 25%	(4,327)	(1,529)	(5,856)
Writing down allowance at 50%	(13,333)	-	(13,333)
			<u> </u>
			(19,189)
			=====
Written down value carried forward	26,313	4,585	
	<u> </u>	<u> </u>	
	=====	=====	