

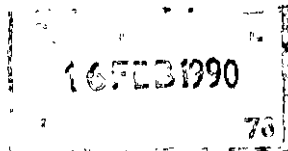
2040690

BROMCOM COMPUTERS LIMITED

REPORT AND
FINANCIAL STATEMENTS

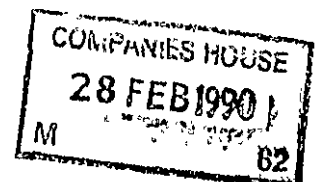
30TH SEPTEMBER 1989

1989/90



BAKER TILLY

Chartered Accountants
2 Newman Road,
Bromley,
Kent, BR1 1RJ.



BROMCOM COMPUTERS LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and Financial Statements of the Company for the year ended 30th September 1989.

ACTIVITIES

The company continues to trade in the manufacture and marketing of multi user computer systems. The company has also marketed other computer products and provided consultancy advice.

REVIEW OF THE BUSINESS

A profit on the ordinary activities before taxation has been generated during the year whilst turnover has increased by 20%. During the year the company has continued to concentrate on the home market.

It should be noted that an exceptional item of £12,712 for operating charges relating to prior years has been charged in these financial statements. Without these exceptional charges the profit on ordinary activities before taxation would have been £32,819.

The company looks forward to further increasing turnover with particular emphasis on local authority contracts.

FINANCIAL RESULTS

The results of the year are set out in the Profit and Loss Account on Page 4. The position at the end of the year is shown in the Balance Sheet on Page 3.

The Directors recommend that no dividend be paid.

FIXED ASSETS

Movements in fixed assets during the financial year ended 30th September 1989 are detailed in Notes 2 and 3 to the Financial Statements.

DIRECTORS

The Directors of the Company at 30th September 1989 and their interests in the Ordinary Shares were as follows:

	30th September 1989	30th September 1988
Mr. A. Guryel	24,590	24,590
Mrs. I. Guryel	9	9

TAXATION STATUS

In the opinion of the Directors, the Company is a close company for taxation purposes.

AUDITORS

The Auditors, Baker Tilly, have expressed their willingness to continue in office and a resolution will be proposed in General Meeting that they be reappointed.

Dated this 2nd day of February 1990.

By Order of the Board,

417-421 Bromley Road,
Bromley,
Kent, BR1 4PJ.

T.C. CHAPMAN
Secretary

AUDITORS' REPORT TO THE MEMBERS OF
BROMCOM COMPUTERS LIMITED

We have audited the Financial Statements on Pages 3 to 10 in accordance with Auditing Standards.

In our opinion the Financial Statements give a true and fair view of the state of the company's affairs at 30th September 1989 and of its profit and source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

2 Newman Road,
Bromley,
Kent, BR1 1RJ.

2nd February 1990.

BAKER TILLY
Chartered Accountants

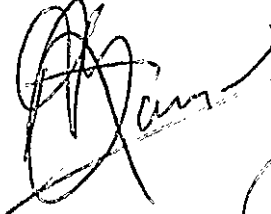
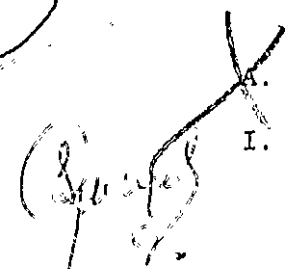
BROMCOM COMPUTERS LIMITED

BALANCE SHEET

30TH SEPTEMBER 1989

	Note	1989	1988
		£	£
FIXED ASSETS			
Intangible Assets	2	10,000	-
Tangible Assets	3	55,832	50,276
		<u>65,832</u>	<u>50,276</u>
CURRENT ASSETS			
Stocks	4	73,863	60,965
Debtors	5	171,187	133,735
Cash at Bank and in Hand		5,305	15,814
		<u>250,355</u>	<u>210,514</u>
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	6	(226,890)	(202,420)
NET CURRENT ASSETS		23,465	8,094
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>89,297</u>	<u>58,370</u>
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	7	(23,903)	(7,800)
PROVISIONS FOR LIABILITIES AND CHARGES	8	(4,455)	(1,420)
		<u>(28,358)</u>	<u>(9,220)</u>
		<u>£60,939</u>	<u>£49,150</u>
CAPITAL AND RESERVES			
Called up Share Capital	9	25,000	25,000
Revaluation Reserve	10	3,100	6,077
Profit and Loss Account		32,839	18,073
		<u>£60,939</u>	<u>£49,150</u>

These Financial Statements were approved by the
Board of Directors on 2nd February 1990.

A. GURYEL)
 I. GURYEL) Directors

BROMCOM COMPUTERS LIMITED
 PROFIT AND LOSS ACCOUNT
 YEAR ENDED 30TH SEPTEMBER 1989

	Note	1989 £	1988 £
TURNOVER	11	<u>£635,023</u>	<u>£529,486</u>
TRADING PROFIT	12	19,476	9,321
Interest Receivable	16	1,539	46
Interest Payable	17	(908)	-
PROFIT ON ORDINARY ACTIVITIES BFORE TAXATION		<u>20,107</u>	<u>9,367</u>
Taxation on Profit on Ordinary Activities	18	5,341	2,997
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION AND RETAINED		<u>14,766</u>	<u>6,370</u>
Profit and Loss Account brought forward		<u>18,073</u>	<u>11,703</u>
PROFIT AND LOSS ACCOUNT carried forward		<u>£32,839</u>	<u>£18,073</u>

BROMCOM COMPUTERS LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS

YEAR ENDED 30TH SEPTEMBER 1989

	1989		1988	
	£	£	£	£
RESULTS OF OPERATIONS				
Profit on Ordinary Activities after Taxation		14,766		6,370
Adjustment for items not involving the movement of funds:				
(Profit)/Loss on disposal of fixed assets	(3,707)		6,672	
Depreciation	13,880		7,999	
Amortisation	10,000		-	
Deferred Taxation	3,035	23,208	(633)	14,038
TOTAL GENERATED FROM OPERATIONS		37,974		20,408
FUNDS FROM EXTERNAL SOURCES				
Disposal of Fixed Assets	15,000		-	
Shares Issued	-	15,000	24,998	24,998
		52,974		45,406
APPLICATION OF FUNDS				
Purchase of Fixed Assets	53,706		20,766	
Loan Repaid	-	53,706	25,000	45,766
		£ (732)		£ (360)
MOVEMENTS ON WORKING CAPITAL				
Stocks	12,898		19,586	
Debtors	37,452		59,009	
Creditors	(40,573)		(93,761)	
	9,777		(15,166)	
Movement in Net Liquid Funds	(10,509)		14,806	
TOTAL GENERATED FROM DECREASE IN WORKING CAPITAL		£(732)		£(360)

BROMCOM COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 1989

1. ACCOUNTING POLICIES

Accounting Convention

These Financial Statements have been prepared under the historical cost convention.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Turnover

Turnover represents amounts receivable excluding value added tax for goods supplied and services provided in the ordinary course of business.

Intangible and Tangible Fixed Assets

Intangible and Tangible Fixed Assets are stated at cost subject to the revaluation of certain computer equipment. Amortisation and Depreciation are provided to write off the book value less any residual value over the useful lives of the assets. The rates used are:

Development Costs	-	50% on cost
Fixtures and Fittings	-	20% p.a. on reducing balance
Computer Equipment	-	20% p.a. on reducing balance
Motor Vehicles	-	25% p.a. on reducing balance

Deferred Taxation

Deferred Taxation is provided using the liability method, to the extent that taxation is considered payable in the foreseeable future.

Foreign Currency

Trading transactions in foreign currency are stated at the average rate for the year. Current Assets and Liabilities are translated at the year end rate. All exchange differences are included in the Profit and Loss Account for the year.

Leases

Rentals under finance and operating leases are charged to Profit and Loss Account as incurred.

BROMCOM COMPUTERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

YEAR ENDED 30TH SEPTEMBER 1989

2. INTANGIBLE FIXED ASSETS	Development Costs £
Cost	
At 1st October 1988	—
Additions	20,000
At 30th September 1989	20,000
Accumulated Amortisation	
At 1st October 1988	—
Charge for the year	10,000
At 30th September 1989	10,000
Net Book Value —	
at 30th September 1989	£10,000
at 30th September 1988	£ —

3. TANGIBLE FIXED ASSETS	Total £	Fixtures, Fittings and Equipment £	Computer Equipment £	Motor Vehicles £
Cost or valuation				
At 1st October 1988	58,727	25,414	25,039	8,274
Additions	33,706	3,120	20,871	9,715
Disposals	(16,457)	—	(16,457)	—
At 30th September 1989	75,976	28,534	29,453	17,989
Accumulated Depreciation:				
At 1st October 1988	8,451	5,841	2,438	172
Charge for the year	13,880	4,429	5,126	4,325
Disposals	(2,187)	—	(2,187)	—
At 30th September 1989	20,144	10,270	5,377	4,497
Net Book Values —				
at 30th September 1989	£55,832	£18,264	£24,076	£13,492
at 30th September 1988	£50,276	£19,573	£22,601	£8,102

During the year ended 30th September 1988 certain computer equipment was revalued by the directors.

The total historic cost of the computer equipment remaining at the revalued amounts was £3,530.

BROMCOM COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30TH SEPTEMBER 1989

	1989 £	1988 £
4. STOCKS		
Goods for Resale	£73,863	£60,965
5. DEBTORS		
Trade Debtors	105,146	118,023
Other Debtors	—	2,958
Prepayments and Accrued Income	66,041	12,754
	<u>£171,187</u>	<u>£133,735</u>
6. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
Trade Creditors	93,746	113,338
Taxation and Social Security	73,510	70,860
Other Creditors	13,443	5,048
Accruals and Deferred Income	40,189	9,339
Directors Current Account	6,002	3,835
	<u>£226,890</u>	<u>£202,420</u>
7. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR		
Other Creditors	£23,903	£7,800
8. PROVISIONS FOR LIABILITIES AND CHARGES	£	£
Deferred Taxation		
Balance at 1st October 1988	1,420	2,053
Transfer from/(to) Profit and Loss Account	3,035	(633)
Balance at 30th September 1989	<u>£4,455</u>	<u>£1,420</u>
The above amount represents the total potential tax in respect of capital allowances in excess of depreciation.		
9. SHARE CAPITAL		
Authorised; 25,000 Ordinary Shares of £1 each	£25,000	£25,000
Allotted and Fully Paid		
Balance at 1st October 1988	25,000	2
Issued during the year	—	24,998
Balance at 30th September 1989	<u>£25,000</u>	<u>£25,000</u>
10. REVALUATION RESERVE		
Balance at 1st October 1988	6,077	—
Revaluation of Computer Equipment	—	6,077
Computer Equipment Sold	(2,977)	—
Balance at 30th September 1989	<u>£3,100</u>	<u>£6,077</u>

BROMCOM COMPUTERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
YEAR ENDED 30TH SEPTEMBER 1989

11. TURNOVER	£	1989 £	1988 £
Geographical Markets			
United Kingdom		635,023	519,986
Rest of Europe		—	9,500
		<u>£635,023</u>	<u>£529,486</u>

All turnover relates to the company's business as a manufacturer and marketer of multi user computer systems.

12. TRADING PROFIT			
Income: Turnover		635,023	529,486
Increase in Stocks of Finished Goods		12,898	19,586
Grant Receivable		30,000	—
		<u>677,921</u>	<u>549,072</u>
Costs: Raw Materials and Consumables		299,405	252,741
Staff Costs: Wages and Salaries	161,882		151,471
Social Security Costs	<u>15,883</u>		<u>13,675</u>
		177,765	165,146
Depreciation and amortisation written off Intangible and Tangible Fixed Assets		23,880	7,999
Other Operating Charges (Note 14)		144,683	113,865
Exceptional Item			
Other Operating Charges relating to Prior Years		12,712	—
		<u>658,445</u>	<u>539,751</u>
Trading Profit		<u>£19,476</u>	<u>£ 9,321</u>

	1989 Number	1988 Number
13. PARTICULARS OF STAFF		
Category of Persons Employed		
Production and Research	7	7
Sales and Distribution	6	6
Administration	5	5
	<u>18</u>	<u>18</u>
Average Number of Persons Employed	18	18

	1989 £	1988 £
14. OTHER OPERATING CHARGES		
Other Operating Charges Includes:		
Auditors' Remuneration	2,300	2,000
Leasing Costs	3,869	1,571
(Profit)/Loss on disposal of Fixed Assets	<u>(3,707)</u>	<u>6,672</u>

BROMCOM COMPUTERS LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 YEAR ENDED 30TH SEPTEMBER 1989

	1989 £	1988 £
15. DIRECTORS' EMOLUMENTS		
Management Remuneration	£32,000	£34,029
16. INTEREST RECEIVABLE		
Bank and other Interest	£1,539	£42
17. INTEREST PAYABLE		
Bank and other Interest	£908	£ -
18. TAXATION		
United Kingdom Corporation Tax at 25% (1988: 27% and 25%) based on the Profit for the year	1,792	3,630
Underprovision for previous year	514	-
Deferred Taxation for the year	3,035	(633)
Taxation on Profit on Ordinary Activities	£5,341	£2,997
19. DIRECTORS INTEREST IN TRANSACTIONS		

During the year under review the directors of the Company, A. Guryel and I. Guryel had interests in the following transactions. Costs and expenses totalling £25,951 (1988: £37,323) were recharged to a related company. The above named were directors and members of the related company.