

Richards Computer Products Limited

**Directors' report and financial
statements**

Registered number 1486021

31 January 2000



Contents

Directors' report	1
Directors' report(<i>continued</i>)	2
Statement of directors' responsibilities	3
Report of the auditors to the members of Richards Computers Products Limited	4
Profit and loss account	5
Balance sheet	6
Reconciliation of movements in shareholders' funds	7
Notes	8

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 January 2000.

Principal activities

The principal activity of the company is that of a holding company.

Business review

The result for the year ended 31 January 2000 is in line with expectations.

Proposed dividend and transfer to reserves

The directors recommend that a final dividend of £50,000 per 'B' share be paid, being a total of £50,000 per 'B' share for the year.

The directors do not recommend the payment of a final dividend on the ordinary shares. The total dividend on the ordinary shares paid in the year was £500 per share.

The loss for the year retained in the company is £120,065 (*1999 profit: £30,720*).

Significant changes in fixed assets

Information relating to changes in fixed assets is given in note 9 to the financial statements. The directors consider that the book value of the freehold property is a fair indication of its market value.

Donations

During the year the company made charitable donations of £2,000 (*1999: £2,149*).

Year 2000

The directors have considered the risks and uncertainties associated with the Year 2000 problem. The company has implemented a plan to address these issues and its relationships with customers, suppliers and other relevant parties. The costs incurred to date have been written off to the profit and loss account and these and future costs are not expected to be significant.

The company has not experienced any problems as a result of Year 2000 issues on computer systems, applications or products and do not believe results and operations have been adversely affected. The directors do not know of any inability of third parties to manage their Year 2000 problems which may adversely affect the company nor of any potential liability to third parties as a result of Year 2000 failures.

Directors' report *(continued)*

Directors and directors' interests

The directors who held office at the end of the financial year and their interests in the shares of the company as recorded in the register of directors' share interests were as follows:

	Class of share	Interest at end of year	Interest at beginning of year
JM Richards	Ordinary	85	85
CM Richards	Ordinary	15	15
G Richards	'B'	1	-
V Richards	'B'	1	-
Z Richards	'B'	1	-

On 26 January 2000 G Richards, V Richards and Z Richards each exercised their right to subscribe for 1 'B' share of £1 each in the company for a consideration of £1.

Auditors

In accordance with Section 384 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company is to be proposed at the forthcoming Annual General Meeting.

By order of the board

J. M. Richards

JM Richards
Secretary

Dales
High Street
Didcot
Oxon
OX11 8EQ

Statement of 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 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;
- 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



Arlington Business Park
Theale
Reading RG7 4SD
United Kingdom

Report of the auditors to the members of Richards Computers Products Limited

We have audited the financial statements on pages 5 to 14.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the directors' report and, as described on page 3, the financial statements in accordance with applicable United Kingdom law and accounting standards. Our responsibilities, as independent auditors, are established in the United Kingdom by statute, the Auditing Practices Board and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

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 company's affairs as at 31 January 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Chartered Accountants
Registered Auditors*

14 April 2000

Profit and loss account
for the year ended 31 January 2000

	<i>Note</i>	2000 £	1999 £
Rental income	<i>1</i>	101,000	101,000
Administrative expenses		(26,022)	(26,642)
Operating profit		74,978	74,358
Other interest receivable and similar income	<i>5</i>	30,376	32,316
Interest payable and similar charges	<i>6</i>	(64)	-
Profit on ordinary activities before taxation	<i>2-4</i>	105,290	106,674
Tax on profit on ordinary activities	<i>7</i>	(25,355)	(25,954)
Profit on ordinary activities after taxation		79,935	80,720
Dividends paid	<i>8</i>	(200,000)	(50,000)
(Loss)/profit for the financial year		(120,065)	30,720
Retained profit brought forward		1,702,079	1,671,359
Retained profit carried forward		1,582,014	1,702,079

The company has no recognised gains or losses other than the profit as shown above.

All of the above relate to continuing activities.

Balance sheet
at 31 January 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	9		1,124,129		1,139,821
Investments	10		197,871		197,871
			<u>1,322,000</u>		<u>1,337,692</u>
Current assets					
Debtors	11	32,450		24,095	
Cash at bank and in hand		295,139		416,767	
		<u>327,589</u>		<u>440,862</u>	
Creditors: amounts falling due within one year	12	(41,127)		(52,691)	
		<u></u>		<u></u>	
Net current assets			286,462		388,171
Total assets less current liabilities			<u>1,608,462</u>		<u>1,725,863</u>
Provisions for liabilities and charges	13		(26,345)		(23,684)
			<u></u>		<u></u>
Net assets			<u>1,582,117</u>		<u>1,702,179</u>
Capital and reserves					
Called up share capital	14		103		100
Profit and loss account			1,582,014		1,702,079
			<u></u>		<u></u>
Equity shareholders' funds			<u>1,582,117</u>		<u>1,702,179</u>

These financial statements were approved by the board of directors on 7th April 2000 and were signed on its behalf by:

J. M. Richards

JM Richards
Director

Reconciliation of movements in shareholders' funds
for the year ended 31 January 2000

	2000 £	1999 £
Profit for the financial year	79,935	80,720
Dividends	(200,000)	(50,000)
Net (reduction)/addition to shareholders' funds	(120,065)	30,720
Opening shareholders' funds	1,702,182	1,671,459
Closing shareholders' funds	1,582,117	1,702,179

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules. Under Financial Reporting Standard 1, the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

The company and its subsidiaries qualify as a medium-sized group under the provisions of the Companies Act 1985. Accordingly, the company has taken advantage of the exemptions available under Section 248 Companies Act 1985 and has not prepared group financial statements. These financial statements therefore present financial information about the company standing alone and not about its group.

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Improvements to leasehold property	-	10 years straight line
Completed freehold buildings	-	75 years

Assets for which there is a permanent diminution in value are written down to the estimated recoverable amount.

No depreciation is provided on freehold land.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Notes (continued)

2 Profit on ordinary activities before taxation

	2000	1999
	£	£
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging:</i>		
Auditors' remuneration		
Audit	1,650	1,600
Other	850	800
Depreciation	15,692	15,692
	<u> </u>	<u> </u>
<i>after crediting:</i>		
Rents receivable from property	101,000	101,000
	<u> </u>	<u> </u>

3 Remuneration of directors

	2000	1999
	£	£
Directors' emoluments:		
Remuneration as executives	3,373	1,702
	<u> </u>	<u> </u>

4 Staff numbers and costs

There were no employees paid by the company during the year.

5 Other interest receivable and similar income

	2000	1999
	£	£
Bank interest	30,376	32,316
	<u> </u>	<u> </u>

Notes (continued)

6 Interest payable and similar charges

	2000 £	1999 £
On bank loans and overdrafts	64	-
	<u>64</u>	<u>-</u>

7 Taxation

	2000 £	1999 £
UK corporation tax at 21% (1999:21%) on the profit for the year on ordinary activities	21,500	22,000
Adjustment in respect of earlier years	1,194	236
Deferred taxation	2,661	3,718
	<u>25,355</u>	<u>25,954</u>

8 Dividends

	2000 £	1999 £
Ordinary shares: interim dividend paid - £500 per share	50,000	50,000
'B' shares: final dividend paid - £50,000 per share	150,000	-
	<u>200,000</u>	<u>50,000</u>

Notes (continued)

9 Tangible fixed assets

	Land and buildings £
<i>Cost</i>	
At beginning and end of year	1,466,872
<i>Depreciation</i>	
At beginning of year	327,051
Charge for year	15,692
At end of year	342,743
<i>Net book value</i>	
At 31 January 2000	1,124,129
At 31 January 1999	1,139,821

All of the above is in respect of freehold land and buildings.

Included in the cost of land and buildings is £1,176,872 (1999:£1,176,872) relating to freehold buildings that are subject to depreciation. Freehold land is not depreciated.

10 Fixed asset investments

	Shares in group undertakings £	Other investments £	Total £
Cost at beginning and end of year	364	197,507	197,871

Notes (continued)

10 Fixed asset investments (continued)

The companies in which the company's interest at the year end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and percentage of shares held
<i>Subsidiary undertakings</i>			
RCP Consultants Limited	UK	Software design and consultancy	100% ordinary
Autolocate Ltd	UK	Internet marketing service	100% ordinary

The company holds the investment in RCP Consultants Limited directly. The investment in Autolocate Ltd is held indirectly by RCP Consultants Limited. RCP Consultants Limited purchased the entire share capital of Internet Systems Technology Limited on 15 April 1999 which changed its name to Autolocate Limited on 30 July 1999.

The aggregate share capital and reserves of RCP Consultants Limited at 31 January 2000 were £2,089,057 (1999:£2,833,309). The loss after taxation of RCP Consultants Limited for the year ended 31 January 2000 was £744,252 (1999:profit £555,293).

The aggregate share capital and reserves of Autolocate Ltd at 31 January 2000 were (£1,014,920). The loss after taxation of Autolocate Ltd for the 14 month period ended 31 January 2000 was £1,015,020.

The other investments relate to £99,220 invested in 2 1/5 % Index Linked Treasury Stock repayable on 20 May 2003 and £98,287 invested in 7% Treasury Stock repayable at par on 7 June 2002.

11 Debtors

	2000 £	1999 £
Amounts owed by subsidiary undertaking	25,304	-
Taxation	533	-
Other debtors	44	12,889
Prepayments and accrued income	6,569	11,206
	32,450	24,095

Notes (continued)

12 Creditors: amounts falling due within one year

	2000		1999	
	£	£	£	£
Trade creditors		294		-
Other creditors including taxation and social security:				
Corporation tax	21,500		20,809	
Advance corporation tax	-		12,500	
Other taxes and social security	-		149	
Taxation and social security		21,500		33,458
Accruals and deferred income		19,333		19,233
		41,127		52,691

13 Provisions for liabilities and charges

	Deferred taxation £
At beginning of year	23,684
Charge for the year in the profit and loss account	2,661
At end of year	26,345

The amounts provided for deferred taxation and the amounts not provided are set out below:

	2000		1999	
	Provided £	Unprovided £	Provided £	Unprovided £
Difference between accumulated depreciation and capital allowances	26,345	-	23,684	-

Notes (continued)

14 Called up share capital

	2000	1999
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
'B' shares of £1 each	3	-
	103	100
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100
'B' shares of £1 each	3	-
	103	100

On 21 January 2000 the company authorised the issue of three 'B' shares of £1 each.

These were issued to G Richards, V Richards and Z Richards on 26 January 2000 for a consideration of £1 each in accordance with the rights held by them to subscribe for the shares.

Ordinary shares

Rights to a dividend are determined by the directors from the profits available for distribution. The shares carry one vote each and upon a winding up of the company the ordinary shares rank pari passu with the 'B' shares.

'B' shares

The directors may declare dividends to 'B' shareholders independent of dividends to ordinary shareholders. All issued 'B' shares may be repurchased compulsorily by the company at face value on three months' notice and must be approved at a General Meeting. Ownership of 'B' shares confer no voting rights.

15 Commitments

- (i) There were no capital commitments at the end of the financial year for which no provision has been made. (1999: £nil).
- (ii) There were no annual commitments under non-cancellable operating leases. (1999: £nil)

16 Post balance sheet events

On 31 March 2000 RCP Consultants Limited sold its investment in Autolocate Limited to Emap plc.

17 Related party transactions

During the year the company continued to receive rental income on two leased properties from RCP Consultants Limited, its wholly owned subsidiary. The amounts invoiced during the year were £101,000 (1999: £101,000). The properties are on 20 year leases expiring in 2015 and there are rent reviews every 5 years from inception. The balance owing at 31 January 2000 was £25,250.