

Richards Computer Products Limited

**Directors' report and financial
statements**

Registered number 1486021

31 January 2001



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Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 January 2001.

Principal activities

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

Business review

The result for the year ended 31 January 2001 is in line with expectations.

Proposed dividend and transfer to reserves

A total dividend of £13,334 per share was paid to 'B' shareholders in 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 £700 per share.

The loss for the year retained in the company is £18,048 (2000: £120,065).

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 £4,000 (2000: £2,000).

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	58	85
CM Richards	Ordinary	42	15
G Richards	'B'	1	1
V Richards	'B'	1	1
Z Richards	'B'	1	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

Registered office
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.



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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 2001 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Chartered Accountants
Registered Auditors*

15 October 2001

Profit and loss account
for the year ended 31 January 2001

	<i>Note</i>	2001 £	2000 £
Rental income		121,405	101,000
Administrative expenses		(26,902)	(26,022)
Operating profit		94,503	74,978
Other interest receivable and similar income	5	26,230	30,376
Interest payable and similar charges	6	(7)	(64)
Profit on ordinary activities before taxation	2-4	120,726	105,290
Tax on profit on ordinary activities	7	(28,774)	(25,355)
Profit on ordinary activities after taxation		91,952	79,935
Dividends paid	8	(110,000)	(200,000)
Loss for the financial year		(18,048)	(120,065)
Retained profit brought forward		1,582,014	1,702,079
Retained profit carried forward		1,563,966	1,582,014

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 2001

	Note	2001	2000
		£	£
Fixed assets			
Tangible assets	9	1,108,437	1,124,129
Investments	10	197,871	197,871
		<u>1,306,308</u>	<u>1,322,000</u>
Current assets			
Debtors	11	8,624	32,450
Cash at bank and in hand		349,656	295,139
		<u>358,280</u>	<u>327,589</u>
Creditors: amounts falling due within one year	12	(73,650)	(41,127)
Net current assets		<u>284,630</u>	<u>286,462</u>
Total assets less current liabilities		<u>1,590,938</u>	<u>1,608,462</u>
Provisions for liabilities and charges	13	(26,869)	(26,345)
Net assets		<u>1,564,069</u>	<u>1,582,117</u>
Capital and reserves			
Called up share capital	14	103	103
Profit and loss account		1,563,966	1,582,014
Equity shareholders' funds		<u>1,564,069</u>	<u>1,582,117</u>

These financial statements were approved by the board of directors on 7/10/2001 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 2001

	2001 £	2000 £
Profit for the financial year	91,952	79,935
Dividends	(110,000)	(200,000)
Net reduction to shareholders' funds	(18,048)	(120,065)
Opening shareholders' funds	1,582,117	1,702,182
Closing shareholders' funds	1,564,069	1,582,117

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

	2001	2000
	£	£
<i>Profit on ordinary activities before taxation is stated</i>		
<i>after charging:</i>		
Auditors' remuneration		
Audit	1,700	1,650
Other	900	850
Depreciation	15,692	15,692
	<u> </u>	<u> </u>
<i>after crediting:</i>		
Rents receivable from property	121,405	101,000
	<u> </u>	<u> </u>

3 Remuneration of directors

	2001	2000
	£	£
Directors' emoluments:		
Remuneration as executives	3,467	3,373
	<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

	2001	2000
	£	£
Receivable from subsidiary undertaking	900	-
Bank interest	25,330	30,376
	<u> </u>	<u> </u>
	26,230	30,376
	<u> </u>	<u> </u>

Notes (continued)

6 Interest payable and similar charges

	2001 £	2000 £
On bank loans and overdrafts	7	64

7 Taxation

	2001 £	2000 £
UK corporation tax at 22.5% (2000: 21%) on the profit for the year on ordinary activities	28,250	21,500
Adjustment in respect of earlier years	-	1,194
Deferred taxation	524	2,661
	<u>28,774</u>	<u>25,355</u>

8 Dividends

	2001 £	2000 £
Ordinary shares: interim dividend paid - £700 per share	70,000	50,000
'B' shares: interim dividend paid - £1,667 per share	5,000	-
: final dividend paid - £11,667 per share	35,000	150,000
	<u>110,000</u>	<u>200,000</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	342,743
Charge for year	15,692
At end of year	358,435
<i>Net book value</i>	
At 31 January 2001	1,108,437
At 31 January 2000	1,124,129

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

Included in the cost of land and buildings is £1,176,872 (2000: £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 company 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 undertaking</i>			
RCP Consultants Limited	UK	Software design and consultancy	100% ordinary

The company holds the investment in RCP Consultants Limited directly.

The aggregate share capital and reserves of RCP Consultants Limited at 31 January 2001 were £3,256,141 (2000:£2,318,542). The profit after taxation of RCP Consultants Limited for the year ended 31 January 2001 was £937,599 (2000:loss £514,767).

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

	2001 £	2000 £
Amounts owed by subsidiary undertaking	-	25,304
Taxation	543	533
Other debtors	81	44
Prepayments and accrued income	8,000	6,569
	8,624	32,450

Notes (continued)

12 Creditors: amounts falling due within one year

	2001		2000
	£	£	£
Trade creditors		-	294
Other creditors including taxation and social security:			
Corporation tax	49,217		21,500
Taxation and social security	49,217		21,500
Accruals and deferred income	24,433		19,333
	73,650		41,127

13 Provisions for liabilities and charges

	Deferred taxation £
At beginning of year	26,345
Charge for the year in the profit and loss account	524
At end of year	26,869

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

	2001		2000
	Provided £	Unprovided £	Provided £
Difference between accumulated depreciation and capital allowances	26,869	-	26,345

Notes (continued)

14 Called up share capital

	2001	2000
	£	£
<i>Authorised</i>		
Ordinary shares of £1 each	100	100
'B' shares of £1 each	3	3
	103	103
<i>Allotted, called up and fully paid</i>		
Ordinary shares of £1 each	100	100
'B' shares of £1 each	3	3
	103	103

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. (2000: £nil).
- (ii) There were no annual commitments under non-cancellable operating leases. (2000: £nil)

16 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 £121,405 (2000: £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 2001 was £nil (2000: £25,250).

During the year the company loaned £90,000 (2000: £nil) to RCP Consultants Limited and interest of £900 was received on the loan during the year. The balance owing at 31 January 2001 was £nil.