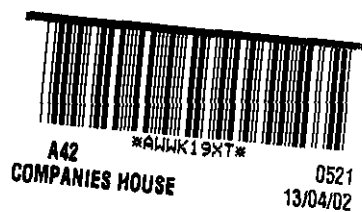


**Richards Computer Products Limited**

**Directors' report and financial  
statements**

**Registered number 1486021**

**31 January 2002**



## Contents

|                                                                                    |   |
|------------------------------------------------------------------------------------|---|
| Directors' report                                                                  | 1 |
| Statement of directors' responsibilities                                           | 2 |
| Independent auditors' report to the members of Richards Computers Products Limited | 3 |
| Profit and loss account                                                            | 4 |
| Balance sheet                                                                      | 5 |
| Reconciliation of movements in shareholders' funds                                 | 6 |
| Notes                                                                              | 7 |

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 January 2002.

### Principal activities

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

### Business review

The result for the year ended 31 January 2002 is in line with expectations.

### Proposed dividend and transfer to reserves

A total dividend of £3,334 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 profit for the year retained in the company is £35,245 (2001: loss £18,048).

### Donations

During the year the company made charitable donations of £5,000 (2001: £4,000).

### Directors and directors' interests

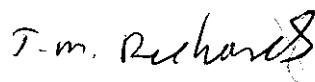
The directors who held office at the end of the financial year and their interests in the shares of the company as recorded in the register of directors' share interests were as follows:

|             | Class of share | Interest at<br>end of year | Interest at<br>beginning of year |
|-------------|----------------|----------------------------|----------------------------------|
| JM Richards | Ordinary       | 58                         | 58                               |
| CM Richards | Ordinary       | 42                         | 42                               |
| 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



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.



Arlington Business Park  
Theale  
Reading RG7 4SD  
United Kingdom

## **Independent auditors' report to the members of Richards Computers Products Limited**

We have audited the financial statements on pages 4 to 13.

### **Respective responsibilities of directors and auditors**

The directors are responsible for preparing the directors' report and, as described on page 2, 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 1985. 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 2002 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*

*11 April 2002*

**Profit and loss account**  
*for the year ended 31 January 2002*

|                                                      | <i>Note</i> | <b>2002</b><br>£ | <b>2001</b><br>£ |
|------------------------------------------------------|-------------|------------------|------------------|
| <b>Rental income</b>                                 |             | <b>131,000</b>   | 121,405          |
| Administrative expenses                              |             | (36,627)         | (26,902)         |
| <b>Operating profit</b>                              |             | <b>94,373</b>    | 94,503           |
| Other interest receivable and similar income         | 5           | 26,873           | 26,230           |
| Interest payable and similar charges                 | 6           | (1)              | (7)              |
| <b>Profit on ordinary activities before taxation</b> | 2-4         | <b>121,245</b>   | 120,726          |
| Tax on profit on ordinary activities                 | 7           | (6,000)          | (28,774)         |
| <b>Profit on ordinary activities after taxation</b>  |             | <b>115,245</b>   | 91,952           |
| Dividends paid                                       | 8           | (80,000)         | (110,000)        |
| <b>Profit/(loss) for the financial year</b>          |             | <b>35,245</b>    | (18,048)         |
| Retained profit brought forward                      |             | 1,563,966        | 1,582,014        |
| <b>Retained profit carried forward</b>               |             | <b>1,599,211</b> | 1,563,966        |

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 2002*

|                                                       | <i>Note</i> | <b>2002</b> | <b>2001</b> |
|-------------------------------------------------------|-------------|-------------|-------------|
|                                                       |             | £           | £           |
| <b>Fixed assets</b>                                   |             |             |             |
| Tangible assets                                       | 9           | 1,092,745   | 1,108,437   |
| Investments                                           | 10          | 197,871     | 197,871     |
|                                                       |             | <hr/>       | <hr/>       |
|                                                       |             | 1,290,616   | 1,306,308   |
| <b>Current assets</b>                                 |             |             |             |
| Debtors                                               | 11          | 7,294       | 8,624       |
| Cash at bank and in hand                              |             | 379,806     | 349,656     |
|                                                       |             | <hr/>       | <hr/>       |
|                                                       |             | 387,100     | 358,280     |
| <b>Creditors: amounts falling due within one year</b> | 12          | (50,321)    | (73,650)    |
|                                                       |             | <hr/>       | <hr/>       |
| <b>Net current assets</b>                             |             | 336,779     | 284,630     |
|                                                       |             | <hr/>       | <hr/>       |
| <b>Total assets less current liabilities</b>          |             | 1,627,395   | 1,590,938   |
| <b>Provisions for liabilities and charges</b>         | 13          | (28,081)    | (26,869)    |
|                                                       |             | <hr/>       | <hr/>       |
| <b>Net assets</b>                                     |             | 1,599,314   | 1,564,069   |
|                                                       |             | <hr/>       | <hr/>       |
| <b>Capital and reserves</b>                           |             |             |             |
| Called up share capital                               | 14          | 103         | 103         |
| Profit and loss account                               |             | 1,599,211   | 1,563,966   |
|                                                       |             | <hr/>       | <hr/>       |
| <b>Equity shareholders' funds</b>                     |             | 1,599,314   | 1,564,069   |
|                                                       |             | <hr/>       | <hr/>       |

These financial statements were approved by the board of directors on 1/4/2002 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 2002*

|                                                 | 2002<br>£ | 2001<br>£ |
|-------------------------------------------------|-----------|-----------|
| Profit for the financial year                   | 115,245   | 91,952    |
| Dividends                                       | (80,000)  | (110,000) |
| Net increase/(reduction) to shareholders' funds | 35,245    | (18,048)  |
| Opening shareholders' funds                     | 1,564,069 | 1,582,117 |
| Closing shareholders' funds                     | 1,599,314 | 1,564,069 |

## 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**

|                                                                                | 2002<br>£ | 2001<br>£ |
|--------------------------------------------------------------------------------|-----------|-----------|
| <i>Profit on ordinary activities before taxation is stated after charging:</i> |           |           |
| Auditors' remuneration                                                         |           |           |
| Audit                                                                          | 1,800     | 1,700     |
| Other                                                                          | 1,000     | 900       |
| Depreciation                                                                   | 15,692    | 15,692    |
|                                                                                | <hr/>     | <hr/>     |
| <i>after crediting:</i>                                                        |           |           |
| Rents receivable from property                                                 | 131,000   | 121,405   |
|                                                                                | <hr/>     | <hr/>     |

**3 Remuneration of directors**

|                            | 2002<br>£ | 2001<br>£ |
|----------------------------|-----------|-----------|
| Directors' emoluments:     |           |           |
| Remuneration as executives | 3,000     | 3,467     |
|                            | <hr/>     | <hr/>     |

**4 Staff numbers and costs**

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

**5 Other interest receivable and similar income**

|                                        | 2002<br>£ | 2001<br>£ |
|----------------------------------------|-----------|-----------|
| Receivable from subsidiary undertaking | -         | 900       |
| Bank interest                          | 26,873    | 25,330    |
|                                        | <hr/>     | <hr/>     |
|                                        | 26,873    | 26,230    |
|                                        | <hr/>     | <hr/>     |

**Notes (continued)**

**6 Interest payable and similar charges**

|                              | 2002<br>£ | 2001<br>£ |
|------------------------------|-----------|-----------|
| On bank loans and overdrafts | 1         | 7         |
|                              | <u>1</u>  | <u>7</u>  |

**7 Taxation**

|                                                                                                 | 2002<br>£    | 2001<br>£     |
|-------------------------------------------------------------------------------------------------|--------------|---------------|
| UK corporation tax at 20% (2001: 22.5%)<br>on the profit for the year on ordinary<br>activities | 25,688       | 28,250        |
| Adjustment in respect of earlier years                                                          | (20,900)     | -             |
| Deferred taxation                                                                               | 1,212        | 524           |
|                                                                                                 | <u>6,000</u> | <u>28,774</u> |

**8 Dividends**

|                                                         | 2002<br>£     | 2001<br>£      |
|---------------------------------------------------------|---------------|----------------|
| Ordinary shares: interim dividend paid - £700 per share | 70,000        | 70,000         |
| 'B' shares: interim dividend paid - £1,667 per share    | 5,000         | 5,000          |
| : final dividend paid - £1,667 per share                | 5,000         | 35,000         |
|                                                         | <u>80,000</u> | <u>110,000</u> |

**Notes (continued)**

**9 Tangible fixed assets**

|                              | <b>Land and<br/>buildings<br/>£</b> |
|------------------------------|-------------------------------------|
| <i>Cost</i>                  |                                     |
| At beginning and end of year | 1,466,872                           |
| <i>Depreciation</i>          |                                     |
| At beginning of year         | 358,435                             |
| Charge for year              | 15,692                              |
| At end of year               | 374,127                             |
| <i>Net book value</i>        |                                     |
| At 31 January 2002           | 1,092,745                           |
| At 31 January 2001           | 1,108,437                           |

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

Included in the cost of land and buildings is £1,176,872 (2001: £1,176,872) relating to freehold buildings that are subject to depreciation. Freehold land is not depreciated.

**10 Fixed asset investments**

|                                   | <b>Shares<br/>in group<br/>undertakings<br/>£</b> | <b>Other<br/>Investments<br/>£</b> | <b>Total<br/>£</b> |
|-----------------------------------|---------------------------------------------------|------------------------------------|--------------------|
| 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<br>Incorporation | Principal<br>activity                 | Class and<br>percentage<br>of shares<br>held |
|-------------------------------|-----------------------------|---------------------------------------|----------------------------------------------|
| <i>Subsidiary undertaking</i> |                             |                                       |                                              |
| RCP Consultants Limited       | UK                          | Software<br>design and<br>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 2002 were £3,477,950 (2001: £3,256,141). The profit after taxation of RCP Consultants Limited for the year ended 31 January 2002 was £191,809 (2001: £937,599).

The other investments relate to £99,220 invested in 2 1/2 % 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

|                                | 2002<br>£    | 2001<br>£    |
|--------------------------------|--------------|--------------|
| Taxation                       | 558          | 543          |
| Other debtors                  | -            | 81           |
| Prepayments and accrued income | 6,736        | 8,000        |
|                                | <u>7,294</u> | <u>8,624</u> |

## Notes (continued)

### 12 Creditors: amounts falling due within one year

|                              | 2002<br>£     | 2001<br>£     |
|------------------------------|---------------|---------------|
| Corporation tax              | 25,688        | 49,217        |
| Accruals and deferred income | 24,633        | 24,433        |
|                              | <u>50,321</u> | <u>73,650</u> |

### 13 Provisions for liabilities and charges

|                                                    | Deferred<br>taxation<br>£ |
|----------------------------------------------------|---------------------------|
| At beginning of year                               | 26,869                    |
| Charge for the year in the profit and loss account | 1,212                     |
|                                                    | <u>28,081</u>             |
| At end of year                                     | <u>28,081</u>             |

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

|                                                                       | 2002          |                 | 2001          |                 |
|-----------------------------------------------------------------------|---------------|-----------------|---------------|-----------------|
|                                                                       | Provided<br>£ | Unprovided<br>£ | Provided<br>£ | Unprovided<br>£ |
| Difference between accumulated<br>Depreciation and capital allowances | 28,081        | -               | 26,869        | -               |
|                                                                       | <u>28,081</u> | <u>-</u>        | <u>26,869</u> | <u>-</u>        |

## Notes (continued)

### 14 Called up share capital

|                                           | 2002<br>£ | 2001<br>£ |
|-------------------------------------------|-----------|-----------|
| <i>Authorised</i>                         |           |           |
| Ordinary shares of £1 each                | 100       | 100       |
| 'B' shares of £1 each                     | 3         | 3         |
|                                           | <hr/>     | <hr/>     |
|                                           | 103       | 103       |
|                                           | <hr/>     | <hr/>     |
| <i>Allotted, called up and fully paid</i> |           |           |
| Ordinary shares of £1 each                | 100       | 100       |
| 'B' shares of £1 each                     | 3         | 3         |
|                                           | <hr/>     | <hr/>     |
|                                           | 103       | 103       |
|                                           | <hr/>     | <hr/>     |

#### *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 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 £131,000 (2001: £121,405). The properties are on 20 year leases expiring in 2015 and there are rent reviews every 5 years from inception.