

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE PERIOD 1 AUGUST 1995 TO 31 DECEMBER 1996
FOR
Rapidcrystal Limited**



Rapidcrystal Limited

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for the Period 1 August 1995 to 31 December 1996**

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Rapidcrystal Limited

COMPANY INFORMATION
for the Period 1 August 1995 to 31 December 1996

DIRECTORS: P A Boxall
Mrs H L Boxall

SECRETARY: Mrs H L Boxall

REGISTERED OFFICE: Aircraft Esplanade
Farnborough
Hampshire
GU14 6TG

REGISTERED NUMBER: 2278708

AUDITORS: Maxwell, Jones & Co
Registered Auditors
Sherwood House
41 Queens Rd
Farnborough
Hants
GU14 6JP

Rapidcrystal Limited

**REPORT OF THE DIRECTORS
for the Period 1 August 1995 to 31 December 1996**

The directors present their report with the financial statements of the company for the period 1 August 1995 to 31 December 1996.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the sale of computer management systems and maintenance.

DIRECTORS

The directors during the period under review were:

P A Boxall
Mrs H L Boxall

The beneficial interests of the directors holding office on 31 December 1996 in the issued share capital of the company were as follows:

	31.12.96	1.8.95
Ordinary £1 shares		
P A Boxall	7	7
Mrs H L Boxall	3	3

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 of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- 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 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.

AUDITORS

The auditors, Maxwell, Jones & Co, will be proposed for re-appointment in accordance with Section 385A of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:


.....
- DIRECTOR

Dated:

19/12/97

Rapidcrystal Limited

**REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
RAPIDCRYSTAL LIMITED**

We have audited the financial statements on pages four to twelve which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to 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 financial statements. It also includes an assessment of the significant estimates and judgments 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.

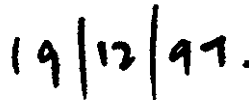
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 December 1996 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



Maxwell, Jones & Co
Registered Auditors
Sherwood House
41 Queens Rd
Farnborough
Hants
GU14 6JP

Dated:



Rapidcrystal Limited

PROFIT AND LOSS ACCOUNT
for the Period 1 August 1995 to 31 December 1996

	Notes	Period 1.8.95 to 31.12.96		Year Ended 31.7.95	
		£	£	£	£
TURNOVER	2		1,464,988		702,164
Cost of sales			950,730		392,336
GROSS PROFIT			514,258		309,828
Distribution costs		30,049		10,969	
Administrative expenses		388,542		215,100	
			418,591		226,069
			95,667		83,759
Other operating income			16,187		-
OPERATING PROFIT	3		111,854		83,759
Interest receivable and similar income	4		277		215
			112,131		83,974
Interest payable and similar charges	5		10,758		4,343
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			101,373		79,631
Tax on profit on ordinary activities	6		25,933		20,413
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION			75,440		59,218
Dividends	7		65,000		30,000
			10,440		29,218
Retained profit brought forward			88,359		59,141
RETAINED PROFIT CARRIED FORWARD			£98,799		£88,359

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current period or previous year.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current period or previous year.

The notes form part of these financial statements

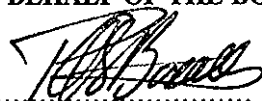
Rapidcrystal Limited

BALANCE SHEET
31 December 1996

		31.12.96		31.7.95	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	8		70,029		32,371
CURRENT ASSETS:					
Stocks	9	62,594		55,586	
Debtors	10	169,697		168,409	
Cash at bank and in hand		2,363		14,737	
		<u>234,654</u>		<u>238,732</u>	
CREDITORS: Amounts falling due within one year	11	<u>180,011</u>		<u>154,577</u>	
NET CURRENT ASSETS:			<u>54,643</u>		<u>84,155</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>124,672</u>		<u>116,526</u>
CREDITORS: Amounts falling due after more than one year	12		<u>25,863</u>		<u>28,157</u>
			<u>£98,809</u>		<u>£88,369</u>
CAPITAL AND RESERVES:					
Called up share capital	15		10		10
Profit and loss account			<u>98,799</u>		<u>88,359</u>
Shareholders' funds	17		<u>£98,809</u>		<u>£88,369</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



- DIRECTOR

Approved by the Board on 19/12/97.

The notes form part of these financial statements

Rapidcrystal Limited

NOTES TO THE FINANCIAL STATEMENTS for the Period 1 August 1995 to 31 December 1996

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents net invoiced sales of goods & services, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and Machinery	- 20% on reducing balance
Fixtures and Fittings	- 20% on reducing balance
Motor Vehicles	- 25% on reducing balance
Office Equipment	- 20% on reducing balance

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

Rapidcrystal Limited

NOTES TO THE FINANCIAL STATEMENTS for the Period 1 August 1995 to 31 December 1996

3. OPERATING PROFIT

The operating profit is stated after charging:

	Period 1.8.95 to 31.12.96 £	Year Ended 31.7.95 £
Hire of plant and machinery	2,630	2,213
Depreciation - owned assets	20,172	3,705
Depreciation - assets on hire purchase contracts	10,751	6,119
Loss on disposal of fixed assets	-	400
Auditors' remuneration	5,610	3,250
Operating Leases - Land & Buildings	19,000	19,000
	<u>11,647</u>	<u>12,627</u>
Directors' emoluments	<u>11,647</u>	<u>12,627</u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	Period 1.8.95 to 31.12.96 £	Year Ended 31.7.95 £
Deposit Account Interest	277	215
	<u>277</u>	<u>215</u>

5. INTEREST PAYABLE AND SIMILAR CHARGES

Interest payable and similar charges includes the following:

	Period 1.8.95 to 31.12.96 £	Year Ended 31.7.95 £
Hire Purchase Interest	4,313	1,132
	<u>4,313</u>	<u>1,132</u>

6. TAXATION

The tax charge on the profit on ordinary activities for the period was as follows:

	Period 1.8.95 to 31.12.96 £	Year Ended 31.7.95 £
UK Corporation Tax	25,933	20,413
	<u>25,933</u>	<u>20,413</u>

UK Corporation Tax has been charged at 24% (1995 - 25%).

Rapidcrystal Limited

NOTES TO THE FINANCIAL STATEMENTS
for the Period 1 August 1995 to 31 December 1996

7. DIVIDENDS

	Period 1.8.95 to 31.12.96 £	Year Ended 31.7.95 £
Equity shares: Dividend	65,000	30,000

8. TANGIBLE FIXED ASSETS

	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Office Equipment	Totals
	£	£	£	£	£
COST:					
At 1 August 1995	2,679	9,417	33,820	22,914	68,830
Additions	530	2,423	12,000	53,628	68,581
At 31 December 1996	3,209	11,840	45,820	76,542	137,411
DEPRECIATION:					
At 1 August 1995	1,072	5,368	13,045	16,974	36,459
Charge for period	605	1,833	11,607	16,878	30,923
At 31 December 1996	1,677	7,201	24,652	33,852	67,382
NET BOOK VALUE:					
At 31 December 1996	1,532	4,639	21,168	42,690	70,029
At 31 July 1995	1,607	4,049	20,775	5,940	32,371

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Motor Vehicles
	£
COST:	
At 1 August 1995	26,175
Additions	12,000
At 31 December 1996	38,175
DEPRECIATION:	
At 1 August 1995	7,819
Charge for period	10,751
At 31 December 1996	18,570
NET BOOK VALUE:	
At 31 December 1996	19,605
At 31 July 1995	18,356

Rapidcrystal Limited

**NOTES TO THE FINANCIAL STATEMENTS
for the Period 1 August 1995 to 31 December 1996**

9. STOCKS	31.12.96	31.7.95
	£	£
Stock	<u>62,594</u>	<u>55,586</u>
10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.12.96	31.7.95
	£	£
Trade Debtors	162,743	158,594
Other Debtors	486	2,510
Prepayments	6,468	7,305
	<u>169,697</u>	<u>168,409</u>
11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	31.12.96	31.7.95
	£	£
Bank loans and overdrafts (see note 13)	14,320	5,212
Hire purchase contracts (see note 14)	13,835	7,353
Trade Creditors	89,925	72,684
PAYE & Other Taxes	17,000	13,436
Accrued Expenses	5,300	15,250
Directors' current accounts	240	373
VAT	5,958	15,662
Taxation	33,433	24,607
	<u>180,011</u>	<u>154,577</u>
12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	31.12.96	31.7.95
	£	£
Bank loans (see note 13)	15,755	18,786
Hire purchase contracts (see note 14)	10,108	9,371
	<u>25,863</u>	<u>28,157</u>

Rapidcrystal Limited

NOTES TO THE FINANCIAL STATEMENTS for the Period 1 August 1995 to 31 December 1996

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	31.12.96 £	31.7.95 £
Amounts falling due within one year or on demand:		
Bank overdrafts	12,020	3,212
Bank loans	2,300	2,000
	<u>14,320</u>	<u>5,212</u>
Amounts falling due between one and two years:		
Bank loans	<u>3,000</u>	<u>3,500</u>
Amounts falling due between two and five years:		
Bank loans	<u>10,000</u>	<u>8,500</u>
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	<u>2,755</u>	<u>6,786</u>

The bank loan is repayable in monthly instalments scheduled to cease on 14 August 2002. Interest is payable at variable rates linked to the bank's base rate.

Rapidcrystal Limited

**NOTES TO THE FINANCIAL STATEMENTS
for the Period 1 August 1995 to 31 December 1996**

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	Hire purchase contracts	
	31.12.96	31.7.95
	£	£
Gross obligations repayable:		
Within one year	17,095	9,015
Between one and five years	12,633	11,304
	<u>29,728</u>	<u>20,319</u>
Finance charges repayable:		
Within one year	3,260	1,662
Between one and five years	2,525	1,933
	<u>5,785</u>	<u>3,595</u>
Net obligations repayable:		
Within one year	13,835	7,353
Between one and five years	10,108	9,371
	<u>23,943</u>	<u>16,724</u>

15. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.96	31.7.95
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.96	31.7.95
			£	£
10	Ordinary	£1	<u>10</u>	<u>10</u>

16. OTHER FINANCIAL COMMITMENTS

Operating Leases At 31 December 1996 the company was committed to making the following payments during the next year in respect of operating leases:

	Land and Buildings	Other
	£	£
Leases which expire		
Within one year	-	-
Within 2 to 5 years	-	-
After 5 years	19,000	-
	<u>19,000</u>	<u>-</u>

Rapidcrystal Limited

NOTES TO THE FINANCIAL STATEMENTS for the Period 1 August 1995 to 31 December 1996

17. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	31.12.96	31.7.95
	£	£
Profit for the financial period	75,440	59,218
Dividends	(65,000)	(30,000)
NET ADDITION TO SHAREHOLDERS' FUNDS	<u>10,440</u>	<u>29,218</u>
Opening shareholders' funds	88,369	59,151
CLOSING SHAREHOLDERS' FUNDS	<u><u>98,809</u></u>	<u><u>88,369</u></u>
Equity interests	<u><u>98,809</u></u>	<u><u>88,369</u></u>

18. CONTROL

P Boxall, a director, has 7 shares. His wife, Mrs H Boxall, a director has 3 shares and the company is therefore under their control.