

Cos House 2278708

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1998
FOR
Rapidcrystal Limited**



Rapidcrystal Limited

**CONTENTS OF THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1998**

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	3
Profit and Loss Account	4
Balance Sheet	5
Notes to the Financial Statements	6
The following pages do not form part of the statutory financial statements:	
Trading and Profit and Loss Account	10
Trading and Profit and Loss Account Detail	11

Rapidcrystal Limited

COMPANY INFORMATION
for the Year Ended 31 December 1998

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 Year Ended 31 December 1998**

The directors present their report with the financial statements of the company for the year ended 31 December 1998.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors during the year under review were:

P A Boxall
Mrs H L Boxall

The beneficial interests of the directors holding office on 31 December 1998 in the issued share capital of the company were as follows:

	31.12.98	1.1.98
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 judgements 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: 20/12/99


Rapidcrystal Limited

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

We have audited the financial statements on pages four to nine which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, 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 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 December 1998 and of its profit for the year 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:

20/12/99

Rapidcrystal Limited

**PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 1998**

	Notes	31.12.98		31.12.97	
		£	£	£	£
TURNOVER			1,362,211		1,505,649
Cost of sales			921,824		1,081,986
GROSS PROFIT			440,387		423,663
Distribution costs		27,249		9,545	
Administrative expenses		332,168		283,260	
			359,417		292,805
			80,970		130,858
Other operating income			-		4,500
OPERATING PROFIT	2		80,970		135,358
Interest receivable and similar income			1,246		89
			82,216		135,447
Interest payable and similar charges			6,102		8,358
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			76,114		127,089
Tax on profit on ordinary activities	3		18,393		27,455
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			57,721		99,634
Dividends	4		70,000		60,000
			(12,279)		39,634
Retained profit brought forward			138,433		98,799
RETAINED PROFIT CARRIED FORWARD			£126,154		£138,433

The notes form part of these financial statements

Rapidcrystal Limited

BALANCE SHEET
31 December 1998

		31.12.98		31.12.97	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		64,582		80,244
CURRENT ASSETS:					
Stocks		61,334		78,099	
Debtors	6	234,609		488,207	
Cash at bank and in hand		106,555		14,519	
		<u>402,498</u>		<u>580,825</u>	
CREDITORS: Amounts falling due within one year	7	<u>334,851</u>		<u>494,481</u>	
NET CURRENT ASSETS:			<u>67,647</u>		<u>86,344</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			132,229		166,588
CREDITORS: Amounts falling due after more than one year	8		<u>6,065</u>		<u>28,145</u>
			<u>£126,164</u>		<u>£138,443</u>
CAPITAL AND RESERVES:					
Called up share capital	9		10		10
Profit and loss account			<u>126,154</u>		<u>138,433</u>
Shareholders' funds			<u>£126,164</u>		<u>£138,443</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 and with the Financial Reporting Standard for Smaller Entities.

ON BEHALF OF THE BOARD:


- DIRECTOR

20/12/99

Approved by the Board on

Rapidcrystal Limited

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31 December 1998

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

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 and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

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. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.98	31.12.97
	£	£
Depreciation - owned assets	14,690	13,478
Depreciation - assets on hire purchase contracts	6,017	9,285
Loss on disposal of fixed assets	993	1,814
Auditors' remuneration	7,130	9,393
Operating Leases		
- Land & Buildings	19,000	19,000
	<u> </u>	<u> </u>
Directors' emoluments and other benefits etc	8,419	13,268
	<u> </u>	<u> </u>

Rapidcrystal Limited

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1998**

3. TAXATION

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

	31.12.98	31.12.97
	£	£
UK corporation tax	18,393	28,786
Adjustment - Previous Years	-	(1,331)
	<u>18,393</u>	<u>27,455</u>

UK corporation tax has been charged at 21% (1997 - 22%).

4. DIVIDENDS

	31.12.98	31.12.97
	£	£
Dividend	<u>70,000</u>	<u>60,000</u>

5. TANGIBLE FIXED ASSETS

	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Office Equipment	Totals
	£	£	£	£	£
COST:					
At 1 January 1998	3,209	16,092	62,515	82,743	164,559
Additions	2,729	3,393	-	8,975	15,097
Disposals	-	-	-	(17,533)	(17,533)
	<u>5,938</u>	<u>19,485</u>	<u>62,515</u>	<u>74,185</u>	<u>162,123</u>
DEPRECIATION:					
At 1 January 1998	1,983	8,979	29,722	43,630	84,314
Charge for year	791	2,101	8,198	9,617	20,707
Eliminated on disposals	-	-	-	(7,480)	(7,480)
	<u>2,774</u>	<u>11,080</u>	<u>37,920</u>	<u>45,767</u>	<u>97,541</u>
NET BOOK VALUE:					
At 31 December 1998	<u>3,164</u>	<u>8,405</u>	<u>24,595</u>	<u>28,418</u>	<u>64,582</u>
At 31 December 1997	<u>1,226</u>	<u>7,113</u>	<u>32,793</u>	<u>39,112</u>	<u>80,244</u>

Rapidcrystal Limited

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1998**

5. TANGIBLE FIXED ASSETS - continued

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

	Motor Vehicles
	£
COST:	
At 1 January 1998	47,465
Transferred to ownership	(11,125)
	<u>36,340</u>
At 31 December 1998	<u>36,340</u>
DEPRECIATION:	
At 1 January 1998	19,271
Charge for year	6,017
Transferred to ownership	(6,998)
	<u>18,290</u>
At 31 December 1998	<u>18,290</u>
NET BOOK VALUE:	
At 31 December 1998	<u>18,050</u>
At 31 December 1997	<u>28,194</u>

**6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.98	31.12.97
	£	£
VAT	1,256	-
Trade Debtors	218,453	480,256
Other Debtors	6,750	2,572
Prepayments	8,150	5,379
	<u>234,609</u>	<u>488,207</u>

**7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	31.12.98	31.12.97
	£	£
Bank loans and overdrafts	13,188	26,495
Hire purchase contracts	8,597	16,882
Trade Creditors	220,483	252,928
PAYE & Other Taxes	19,634	23,519
Accrued Expenses	7,000	10,050
Lombard Creditor	15,436	89,637
Directors' current accounts	3,333	9,460
VAT	-	12,121
Taxation	47,180	53,389
	<u>334,851</u>	<u>494,481</u>

Rapidcrystal Limited

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1998**

**8. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	31.12.98	31.12.97
	£	£
Bank loans	-	13,286
Hire purchase contracts	6,065	14,859
	<u>6,065</u>	<u>28,145</u>

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.98	31.12.97
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.98	31.12.97
			£	£
10	Ordinary	£1	<u>10</u>	<u>10</u>

10. OTHER FINANCIAL COMMITMENTS

Operating Leases At 31 December 1997 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>

11. 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.