

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1999
FOR
Rapidcrystal Limited**



Rapidcrystal Limited

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for the Year Ended 31 December 1999**

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Rapidcrystal Limited

COMPANY INFORMATION
for the Year Ended 31 December 1999

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 1999**

The directors present their report with the financial statements of the company for the year ended 31 December 1999.

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 1999 in the issued share capital of the company were as follows:

	31.12.99	1.1.99
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.

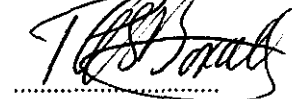
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets 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 385 of the Companies Act 1985.

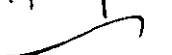
This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
- DIRECTOR

Dated:

19/12/00


Rapidcrystal Limited

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF
RAPIDCRYSTAL LIMITED

We have audited the financial statements on pages four to ten which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), 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 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Maxwell Jones & Co

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

Dated: 19/12/00

Rapidcrystal Limited

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 December 1999

		31.12.99		31.12.98	
	Notes	£	£	£	£
TURNOVER			997,441		1,362,211
Cost of sales			634,836		921,824
GROSS PROFIT			362,605		440,387
Distribution costs		19,381		27,249	
Administrative expenses		311,022		332,168	
			330,403		359,417
OPERATING PROFIT	2		32,202		80,970
Interest receivable and similar income			25		1,246
			32,227		82,216
Interest payable and similar charges			5,598		6,102
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			26,629		76,114
Tax on profit on ordinary activities	3		7,327		18,393
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			19,302		57,721
Dividends	4		45,000		70,000
			(25,698)		(12,279)
Retained profit brought forward			126,154		138,433
RETAINED PROFIT CARRIED FORWARD			£100,456		£126,154

The notes form part of these financial statements

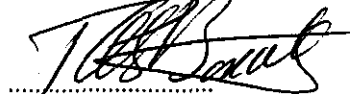
Rapidcrystal Limited

BALANCE SHEET
31 December 1999

		31.12.99		31.12.98	
	Notes	£	£	£	£
FIXED ASSETS:					
Tangible assets	5		61,624		64,582
CURRENT ASSETS:					
Stocks		58,750		61,334	
Debtors	6	243,468		234,609	
Cash at bank and in hand		5,070		106,555	
		<u>307,288</u>		<u>402,498</u>	
CREDITORS: Amounts falling due within one year	7	<u>268,446</u>		<u>334,851</u>	
NET CURRENT ASSETS:			<u>38,842</u>		<u>67,647</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			100,466		132,229
CREDITORS: Amounts falling due after more than one year	8		-		6,065
			<u>£100,466</u>		<u>£126,164</u>
CAPITAL AND RESERVES:					
Called up share capital	9		10		10
Profit and loss account			<u>100,456</u>		<u>126,154</u>
SHAREHOLDERS' FUNDS:			<u>£100,466</u>		<u>£126,164</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 (effective March 1999).

ON BEHALF OF THE BOARD:



- DIRECTOR

Approved by the Board on 19/12/00.

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The notes form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999

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 (effective March 1999).

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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

Rapidcrystal Limited

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999**

2. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.99	31.12.98
	£	£
Depreciation - owned assets	11,160	14,690
Depreciation - assets on hire purchase contracts	3,423	6,017
Loss on disposal of fixed assets	1,881	993
Auditors' remuneration	6,640	7,130
Pension costs	10,800	-
Operating Leases - Land & Buildings	<u>19,000</u>	<u>19,000</u>
Directors' emoluments and other benefits etc	<u>23,943</u>	<u>8,419</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	1	-
	<u>1</u>	<u>-</u>

3. TAXATION

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

	31.12.99	31.12.98
	£	£
UK corporation tax	<u>7,327</u>	<u>18,393</u>

UK corporation tax has been charged at 20% (1998 - 21%).

4. DIVIDENDS

	31.12.99	31.12.98
	£	£
Dividend	<u>45,000</u>	<u>70,000</u>

Rapidcrystal Limited

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999

5. TANGIBLE FIXED ASSETS

	Plant and Machinery	Fixtures and Fittings	Motor Vehicles	Office Equipment	Totals
	£	£	£	£	£
COST:					
At 1 January 1999	5,938	19,485	62,515	74,184	162,122
Additions	-	-	-	13,507	13,507
Disposals	-	-	-	(3,672)	(3,672)
At 31 December 1999	5,938	19,485	62,515	84,019	171,957
DEPRECIATION:					
At 1 January 1999	2,774	11,080	37,920	45,767	97,541
Charge for year	633	1,681	5,868	6,401	14,583
Eliminated on disposals	-	-	-	(1,791)	(1,791)
At 31 December 1999	3,407	12,761	43,788	50,377	110,333
NET BOOK VALUE:					
At 31 December 1999	2,531	6,724	18,727	33,642	61,624
At 31 December 1998	3,164	8,405	24,595	28,418	64,582

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

	Motor Vehicles
	£
COST:	
At 1 January 1999	36,340
Transferred to ownership	(12,000)
At 31 December 1999	24,340
DEPRECIATION:	
At 1 January 1999	18,290
Charge for year	3,423
Transferred to ownership	(10,649)
At 31 December 1999	11,064
NET BOOK VALUE:	
At 31 December 1999	13,276
At 31 December 1998	18,050

Rapidcrystal Limited

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999

6. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	31.12.99	31.12.98
	£	£
VAT	-	1,256
Trade Debtors	155,827	218,453
Other Debtors	5,328	6,750
Prepayments	12,151	8,150
Opus Entertainments (UK) Ltd	70,162	-
	<u>243,468</u>	<u>234,609</u>

7. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR

	31.12.99	31.12.98
	£	£
Bank loans and overdrafts	28,351	13,188
Hire purchase contracts	5,977	8,597
Trade Creditors	125,493	220,483
PAYE & Other Taxes	36,520	19,634
Accrued Expenses	6,000	7,000
Lombard Creditor	18,857	15,436
Directors' current accounts	1,432	3,333
VAT	16,971	-
Taxation	28,845	47,180
	<u>268,446</u>	<u>334,851</u>

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

	31.12.99	31.12.98
	£	£
Hire purchase contracts	-	6,065
	<u>-</u>	<u>6,065</u>

9. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	31.12.99	31.12.98
			£	£
1,000	Ordinary	£1	<u>1,000</u>	<u>1,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	31.12.99	31.12.98
			£	£
10	Ordinary	£1	<u>10</u>	<u>10</u>

Rapidcrystal Limited

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 1999

10. OTHER FINANCIAL COMMITMENTS

Operating Leases At 31 December 1999 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.