

STATUTORY COPY

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CCN SYSTEMS LIMITED  
REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 1989

COMPANIES HOUSE  
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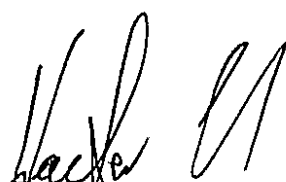
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AUDITORS' REPORT  
TO THE MEMBERS OF CCI SYSTEMS LIMITED

We have audited the accounts set out on pages 3 to 12  
in accordance with approved Auditing Standards.

In our opinion the accounts, give a true and fair view  
of the state of affairs of the company at 31 March  
1989 and of the profit and source and application of  
funds for the year then ended, and comply with the  
Companies Act 1985.

  
Chartered Accountants

Auditors

17 July 1989

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 1989

The directors present their annual report on the affairs of the company together with the audited accounts for the year ended 31 March 1989.

DIRECTORS AND THEIR INTERESTS

The directors holding office in the year were as follows:

E M Barnes - Chairman  
D Stonehouse  
J Peace  
D S Bird  
L Foster  
J N Saunders  
R M Aubrook (appointed 7 October 1988)

The directors have no interests in the shares of the company or any of its fellow subsidiary companies or, except for Mr Barnes, its ultimate holding company. The interest of Mr Barnes in the shares of the ultimate holding company is disclosed in that company's directors' report.

ACTIVITIES

The company provides bureau and information services for consumer credit control, business information, direct marketing and credit card management.

BUSINESS REVIEW AND FUTURE DEVELOPMENTS

Both the level of business and the year end financial position were satisfactory and the directors expect that the level of activity will again be increased during the present year.

RESULTS AND DIVIDENDS

The results for the year are set out in the profit and loss account on page 3. No interim dividend was paid during the year (1988: £Nil). The directors propose a final dividend of £2,088,000 (1988: £1,770,000).

FIXED ASSETS

Details of changes in the fixed assets of the company are shown in note 10 to the accounts.

EMPLOYMENT OF DISABLED PERSONS

The company's policy and practice is to encourage and assist the employment of disabled people, their recruitment, training and promotion and the retention of employees who become disabled, having regard to the requirements and demands of employment opportunities which are available.

## CCN SYSTEMS LIMITED

## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 1989

(CONTINUED)

## EMPLOYEE INVOLVEMENT

It has been the established practice of the company for many years through various Consultative Committees developed with the full co-operation of the relevant Trade Unions, together with other staff meetings on a broader scale, to disclose to staff at all levels information on matters of concern to them as employees.

These activities are also an essential requirement of management in achieving a common awareness by all employees of the financial and economic factors affecting the performance of the company and will, as a matter of policy, continue to be so.

## AUDITORS

A resolution will be proposed at the annual general meeting to re-appoint Messrs Hacker Young as auditors until the conclusion of the next annual general meeting.

Registered Office:

Talbot House  
Talbot Street  
Nottingham NG1 5HF  
~~17th September~~

July 1989 *skt**CHY*

By order of the board

*E. J. Young*  
Secretary

CCN SYSTEMS LIMITED  
 PROFIT AND LOSS ACCOUNT  
 FOR THE YEAR ENDED 31 MARCH 1989

	<u>Notes</u>	<u>1989</u> £'000	<u>1988</u> £'000
TURNOVER	2	£ 38,574	£ 29,479
Cost of sales		(26,191)	(18,890)
		<hr/>	<hr/>
GROSS PROFIT		12,383	10,589
Distribution costs		(2,351)	(2,287)
Administrative expenses		(2,578)	(2,054)
		<hr/>	<hr/>
		7,454	6,248
OTHER INCOME	3	948	612
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	4	8,402	6,860
Tax on profit on ordinary activities	7	(2,947)	(2,402)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE EXTRAORDINARY ITEM		5,455	4,458
Extraordinary item	8	(235)	(33)
		<hr/>	<hr/>
PROFIT FOR THE FINANCIAL YEAR AFTER EXTRAORDINARY ITEM		5,220	4,425
Dividend	9	(2,088)	(1,770)
		<hr/>	<hr/>
RETAINED PROFIT FOR YEAR		3,132	2,655
RETAINED PROFIT BROUGHT FORWARD		8,446	5,791
		<hr/>	<hr/>
RETAINED PROFIT CARRIED FORWARD		£ 11,578 =====	£ 8,446 =====

The notes set out on pages 6 to 12 form an integral part of these accounts.

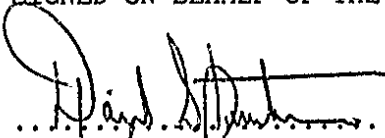
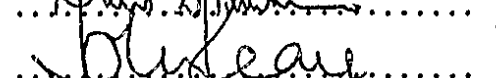
## CCN SYSTEMS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 1989

	Notes	1989 £'000	£'000	1988 £'000	£'000
FIXED ASSETS					
Tangible fixed assets	10		£ 11,539		£ 10,104
Investments	11		120		-
			<hr/>		<hr/>
CURRENT ASSETS			11,659		10,104
Stocks	12	£ 120		£ 130	
Debtors	13	18,854		13,185	
Cash at bank and in hand		589		745	
		<hr/>		<hr/>	
		19,563		14,060	
CREDITORS: Amounts falling due within one year	14	(12,654)		(8,326)	
		<hr/>		<hr/>	
NET CURRENT ASSETS			6,909		5,734
TOTAL ASSETS LESS CURRENT LIABILITIES			<hr/>		<hr/>
			18,568		15,838
CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	15		(6,375)		(6,752)
PROVISION FOR LIABILITIES AND CHARGES	16		(126)		(151)
			<hr/>		<hr/>
NET ASSETS			£ 12,067 =====		£ 8,935 =====
CAPITAL AND RESERVES					
Called-up share capital	17		£ 489		£ 489
Profit and loss account	18		11,578		8,446
			<hr/>		<hr/>
TOTAL CAPITAL EMPLOYED			£ 12,067 =====		£ 8,935 =====

SIGNED ON BEHALF OF THE BOARD

 ..... } Directors  
 ..... }

July 1989

The notes set out on pages 6 to 12 form an integral part of these accounts.

## CCN SYSTEMS LIMITED

## STATEMENT OF SOURCE AND APPLICATION OF FUNDS

FOR THE YEAR ENDED 31 MARCH 1989

	£'000	<u>1989</u> £'000	£'000	<u>1988</u> £'000	£'000
<b>SOURCE OF FUNDS</b>					
Profit on ordinary activities before taxation		£ 8,402		£ 6,860	
Extraordinary item before taxation		(361)		(51)	
		<hr/>		<hr/>	
		8,041		6,809	
Add items not involving the movement of funds:					
Depreciation		2,663		1,285	
Deferred tax transfer from group company		-		43	
Profit on disposal of fixed assets		-		(7)	
		<hr/>		<hr/>	
Total funds from operations		10,704		8,130	
Proceeds from disposal of fixed assets		1		96	
		<hr/>		<hr/>	
		10,705		8,226	
<b>APPLICATION OF FUNDS</b>					
Dividends paid	£ 1,770		£ -		
Taxation paid	2,171		1,950		
Purchase of fixed assets	4,099		1,481		
Purchase of investments	120		-		
	<hr/>		<hr/>		
		(8,160)		(3,431)	
		<hr/>		<hr/>	
		£ 2,545		£ 4,795	
		=====		=====	
<b>INCREASE/(DECREASE) IN WORKING CAPITAL</b>					
Stocks		£ (10)		£ (70)	
Debtors		5,669		5,456	
Creditors		(2,958)		(300)	
		<hr/>		<hr/>	
		2,701		5,086	
<b>Movement in net liquid funds:</b>					
Cash at bank and in hand		(156)		(291)	
		<hr/>		<hr/>	
		£ 2,545		£ 4,795	
		=====		=====	

The notes set out on pages 6 to 12 form an integral part of these accounts.

## CCN SYSTEMS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1989

1. A summary of the principal accounting policies is set out below, all of which have been applied consistently throughout the year and with the preceding year.

## (a) BASIS OF ACCOUNTING

The accounts are prepared under the historical cost convention.

## (b) TANGIBLE FIXED ASSETS

Fixed assets are shown at cost.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset on a straight line basis over its expected useful life, as follows:

Plant and machinery - 20% per annum  
 Fixtures and fittings - 10% to 20% per annum

## (c) STOCKS

Stocks are stated at the lower of cost and net realisable value.

## (d) DEFERRED TAXATION

Provision is made for deferred taxation on timing differences except where such differences are expected, with reasonable probability, to continue for the foreseeable future. (See note 16.)

## (e) LEASED ASSETS

Fixed assets held under finance leases are capitalised. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

## 2. TURNOVER

Turnover comprises the value of services (excluding value added tax) performed in the normal course of business.

## 3. OTHER INCOME

	1989 £'000	1988 £'000
Other income comprises:		
Profit on sale of fixed assets	£ -	£ 7
Interest receivable from group company	948	605
	<hr/>	<hr/>
	£ 948	£ 612
	=====	=====



## CCN SYSTEMS LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 MARCH 1989

(CONTINUED)

## 4. PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	<u>1989</u> £'000	<u>1988</u> £'000
Profit on ordinary activities before taxation is stated after charging:		
- Depreciation of fixed assets	£ 2,663	£ 1,285
- Auditors' remuneration	30	30
- Staff costs (see note 5)	£ 13,075	£ 9,399
	=====	=====

## 5. STAFF COSTS

Particulars of employees (including executive directors) are as shown below:

(a) Staff costs during the year:

	<u>1989</u>		<u>1988</u>	
	<u>Full time</u> £'000	<u>Part time</u> £'000	<u>Full time</u> £'000	<u>Part time</u> £'000
Wages and salaries	£ 11,711	£ 180	£ 8,405	£ 112
Social security costs	1,052	15	755	10
Other pension costs	117	-	117	-
	-----	-----	-----	-----
	£ 12,880	£ 195	£ 9,277	£ 122
	=====	=====	=====	=====

(b) The average weekly number of persons employed by the company during the year was as follows:

	<u>1989</u>		<u>1988</u>	
	<u>Number employed</u>		<u>Number employed</u>	
	<u>Full time</u>	<u>Part time</u>	<u>Full time</u>	<u>Part time</u>
Production	1,026	60	821	40
Distribution/sales	81	-	75	-
Administrative	22	-	18	-
	-----	-----	-----	-----
	1,129	60	914	40
	=====	=====	=====	=====

CCN SYSTEMS LIMITED  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 1989  
 (CONTINUED)

6. DIRECTORS' REMUNERATION

	<u>1989</u> £'000	<u>1988</u> £'000
(a) Aggregate emoluments (including pension contributions) of the company's directors were:		
Management remuneration	£ 401 =====	£ 257 =====
(b) Emoluments (excluding pension contributions) of the Chairman	£ 33 =====	£ Nil =====
(c) Emoluments (excluding pension contributions) of the highest paid director	£ 71 =====	£ 53 =====
(d) Other directors' emoluments fell within the following ranges:		
	<u>1989</u> Number	<u>1988</u> Number
£20,001 - £25,000	1	-
£35,001 - £40,000	-	1
£40,001 - £45,000	-	1
£45,001 - £50,000	1	2
£50,001 - £55,000	1	-
£55,001 - £60,000	1	-
£60,001 - £65,000	1 =====	- =====

7. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1989</u> £'000	<u>1988</u> £'000
The tax charge is based on the profit for the year and comprises:		
Corporation tax at 35%	£ 2,967	£ 2,451
Deferred taxation arising from accelerated capital allowances	(25)	(49)
Underprovision in prior years	5	-
	----- £ 2,947 =====	----- £ 2,402 =====

CCN SYSTEMS LIMITED  
NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 MARCH 1989

(CONTINUED)

8. EXTRAORDINARY ITEM

	<u>1989</u> £'000	<u>1988</u> £'000
Closure of Manchester office	£ 361	£ -
Closure of Print Division	-	51
Taxation thereon	(126)	(18)
	<hr/> £ 235	<hr/> £ 33
	=====	=====

9. DIVIDEND

	<u>1989</u> £'000	<u>1988</u> £'000
Ordinary:-		
Proposed final	£ 2,088	£ 1,770
	=====	=====

10. TANGIBLE FIXED ASSETS

The movement in the year was as follows:

	<u>Plant and machinery</u> £'000	<u>Fixtures and fittings</u> £'000	<u>Leased assets</u> £'000	<u>Total</u> £'000
<b>COST</b>				
At 1 April 1988	£ 20	£ 3,378	£ 9,839	£ 13,237
Additions - external	-	920	3,179	4,099
Disposals	-	(1)	-	(1)
	<hr/> £ 20	<hr/> £ 4,297	<hr/> £ 13,018	<hr/> £ 17,335
	=====	=====	=====	=====
<b>DEPRECIATION</b>				
At 1 April 1988	£ 12	£ 1,674	£ 1,447	£ 3,133
Charge for the year	3	437	2,223	2,663
	<hr/> £ 15	<hr/> £ 2,111	<hr/> £ 3,670	<hr/> £ 5,796
	=====	=====	=====	=====
<b>NET BOOK VALUE</b>				
At 31 March 1989	£ 5	£ 2,186	£ 9,348	£ 11,539
	=====	=====	=====	=====
At 31 March 1988	£ 8	£ 1,704	£ 8,392	£ 10,104
	=====	=====	=====	=====

CCN SYSTEMS LIMITED  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 1989  
 (CONTINUED)

11. FIXED ASSET INVESTMENTS

The following represents the net book value of fixed asset investments:

	<u>1989</u>	<u>1988</u>
	£'000	£'000
Subsidiaries - shares at cost	120	-
	=====	=====

The subsidiaries are as follows:

CCN Systems Australia Pty incorporated and registered in Australia, 100% owned.

CCN Holding B V incorporated and registered in the Netherlands, a 100% owned dormant holding company.

CCN Finance N V incorporated and registered in the Dutch Antilles, 100% owned.

12. STOCKS

	<u>1989</u>	<u>1988</u>
	£'000	£'000
The net book value of stocks comprises:		
Raw materials and consumables	£ 120	£ 130
	=====	=====

13. DEBTORS

	<u>1989</u>	<u>1988</u>
	£'000	£'000
The net book value of debtors comprises:		
Amounts falling due within one year:		
Trade debtors	£ 8,422	£ 5,695
Due from holding company	6,522	4,868
Due from fellow subsidiaries	694	447
Other debtors	169	103
Prepayments and accrued income	3,047	2,072
	-----	-----
	£ 18,854	£ 13,185
	=====	=====

CCN SYSTEMS LIMITED  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 1989  
 (CONTINUED)

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1989</u> £'000	<u>1988</u> £'000
Creditors falling due within one year comprise:		
Trade creditors	£ 1,578	£ 516
Due to fellow subsidiaries	265	96
Other creditors:		
- Current and overseas tax	323	56
- UK corporation tax	2,841	2,433
- VAT	541	306
Other creditors	571	445
Proposed dividend	2,088	1,770
Accruals and deferred income	1,474	1,064
Obligations under finance leases	2,973	1,640
	<hr/> £ 12,654	<hr/> £ 8,326
	=====	=====

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

	<u>1989</u> £'000	<u>1988</u> £'000
Creditors falling due after more than one year comprise :		
Obligations under finance leases	£ 6,375	£ 6,752
	=====	=====

16. PROVISION FOR LIABILITIES AND CHARGES

(a) The provision for liabilities and charges comprises:

	<u>1989</u> £'000	<u>1988</u> £'000
Deferred taxation	£ 126	£ 151
	=====	=====

(b) The provision for deferred taxation and the full potential liability are analysed as follows:

	<u>1989</u>	<u>1988</u>
	Full potential liability	Full potential liability
	Provision made	Provision made
	£'000	£'000
Accelerated capital allowances	£ 126	£ 151
	=====	=====

CCN SYSTEMS LIMITED  
 NOTES TO THE ACCOUNTS  
 FOR THE YEAR ENDED 31 MARCH 1989  
 (CONTINUED)

17. CALLED-UP SHARE CAPITAL

	<u>1989</u>	<u>1988</u>
Authorised		
500,500 ordinary shares of £1 each	£ 500,500 =====	£ 500,500 =====
Issued and fully paid		
489,186 ordinary shares of £1 each	£ 489,186 =====	£ 489,186 =====

18. RESERVES

The balance on the profit and loss account represents realised profits and is therefore regarded as being fully distributable.

19. CONTINGENT LIABILITIES AND FINANCIAL COMMITMENTS

	<u>1989</u> £'000	<u>1988</u> £'000
(a) Contingent liabilities	NIL =====	NIL =====
(b) Capital commitments		
Contracted but not provided for	£ 75	£ 25
Authorised but not contracted for	—	—
	£ 75 =====	£ 25 =====
(c) Lease commitments		
Operating leases which expire:		
Within one year	£ 117	£ 91
Within two to five years inclusive	3,600	1,964
	£ 3,717 =====	£ 2,055 =====

20. ULTIMATE HOLDING COMPANY

The company's ultimate holding company is The Great Universal Stores plc, which is incorporated in Great Britain.