

CUSTOM MICRO PRODUCTS LIMITED

ABBREVIATED STATUTORY ACCOUNTS

FOR THE YEAR ENDED 31 JANUARY 1997

Contents

	<u>Page</u>
Report of the Auditors	1
Abbreviated Balance Sheet	2
Notes to the Abbreviated Accounts	3 - 5

Company No 1015185 (England and Wales)



CUSTOM MICRO PRODUCTS LIMITED

Company Information

DIRECTORS:

A G Witts
L Maynard
T Rance
L Day
G J Cousins
A L Wardlow

SECRETARY:

P A Bones

REGISTERED OFFICE:

Curzon Court
58 Commercial Road
Lower Parkstone
Poole
Dorset BH14 OJT

BANKERS:

Midland Bank Plc
242 High Street
Longfleet
Poole
Dorset BH15 1DZ

Lloyds Bank Plc
101 High Street
Poole
Dorset BH15 1AJ

AUDITORS:

Messrs Day, Thomas & Co
Registered Auditors
Curzon Court
58 Commercial Road
Lower Parkstone
Poole
Dorset BH14 OJT

CUSTOM MICRO PRODUCTS LIMITEDAUDITORS' REPORT TO THE DIRECTORS OF CUSTOM MICRO PRODUCTS LIMITED
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 5, together with the full Financial Statements of Custom Micro Products Limited for the year ended 31 January 1997. The scope of our work for the purposes of this report was limited to confirming that the company is entitled to the exemptions claimed in the Directors Statement on page 1, and that the abbreviated accounts have been properly prepared from the full Financial Statements.

In our opinion, the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemption conferred by Schedule 8, Part IIIA, of that Act in respect of the year ended 31 January 1997, and the abbreviated accounts have been properly prepared from the statutory Financial Statements.

On 28 July 1997, we reported as auditors of Custom Micro Products Limited to the members on the full Financial Statements required by Section 226 of the Companies Act 1985, for the year ended 31 January 1997, and our audit report was as follows: -

We have audited the Financial Statements on pages 3 to 7, which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, 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.

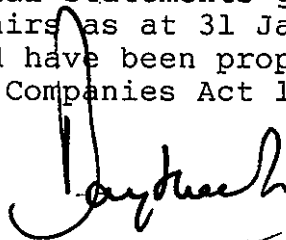
BASIS OF OPINION

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 mis-statement, 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 1997, and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small companies.



DAY, THOMAS & CO
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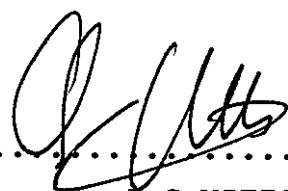
28 July 1997

CUSTOM MICRO PRODUCTS LIMITEDABBREVIATED BALANCE SHEETAS AT 31 JANUARY 1997

	<u>Notes</u>	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
<u>FIXED ASSETS</u>	3	105,288	149,378
<u>CURRENT ASSETS</u>			
Stock	1	435,368	373,468
Debtors		410,872	517,997
Cash and Bank Balances		26,331	173
		<u>872,571</u>	<u>891,638</u>
<u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>	6	<u>530,629</u>	<u>518,862</u>
<u>NET CURRENT ASSETS</u>		<u>341,942</u>	<u>372,776</u>
		447,230	522,154
<u>CREDITORS: AMOUNTS FALLING DUE AFTER ONE YEAR</u>			
Hire Purchase Creditor		9,183	21,027
Long Term Loan Accounts	7	<u>271,809</u>	<u>361,257</u>
		<u>280,992</u>	<u>382,284</u>
<u>NET ASSETS</u>		<u>£166,238</u>	<u>£139,870</u>
Represented by:			
<u>CAPITAL AND RESERVES</u>			
Share Capital	2	4,300	4,300
Reserves: Profit and Loss Account		161,938	135,570
<u>SHAREHOLDERS FUNDS</u>		<u>£166,238</u>	<u>£139,870</u>

The Directors have taken advantage of the exemptions conferred by Schedule 8 of the Companies Act 1985, and have done so on the grounds that the company is entitled to those exemptions as a small company.

SIGNED ON BEHALF OF THE BOARD OF DIRECTORS

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A G WITTS

28 July 1997

CUSTOM MICRO PRODUCTS LIMITEDNOTES TO THE ABBREVIATED FINANCIAL STATEMENTSYEAR ENDED 31 JANUARY 19971 ACCOUNTING POLICIESa) Basis of Accounts

The Financial Statements have been prepared under the historical cost convention and incorporate the results of the principal activity, which is described in the Director's Report and which is continuing.

b) Cash Flow Statement

The company has taken advantage of the exemption in Financial Reporting Standard No 1, from the requirements to produce a cashflow statement on the grounds that it is a small company.

c) Turnover

Turnover represents the total income receivable in the ordinary course of business, excluding VAT and after deductions of trade discounts.

d) Stock and Work in Progress

Stock has been valued at the lower of cost and estimated net realisable value.

e) Tangible Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets over their expected useful lives on the following basis: -

	<u>31.1.97 and 31.1.96</u>
Plant and Machinery	Straight line over three years
Fixtures and Fittings	Straight line over six years
Motor Vehicles	Reducing balance 25% per annum
Lease on Building	Reducing balance 5% per annum

f) Deferred Taxation

No provision has been made for deferred taxation as the Director has taken the view that deferred taxation arising from timing differences on capital allowances is unlikely to become payable in the foreseeable future.

2 CALLED UP SHARE CAPITAL

	<u>1997</u>	<u>1996</u>
Authorised: Ordinary Shares of £1 each	<u>£10,000</u>	<u>£10,000</u>
Called Up Share Capital and Fully Paid: Ordinary Shares of £1 each	<u>£ 4,300</u>	<u>£ 4,300</u>

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)YEAR ENDED 31 JANUARY 19973 FIXED ASSETS

	<u>Lease</u>	<u>Equipment</u>	<u>Furniture & Fittings</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost</u>					
1 February 1996	60,000	160,849	41,267	97,239	359,355
Additions	-	4,659	2,226	-	6,885
Disposals	-	-	-	(14,005)	(14,005)
31 January 1997	£60,000	£165,508	£43,493	£83,234	£352,235
<u>Depreciation</u>					
1 February 1996	11,130	120,174	34,726	43,947	209,977
Charge for Year	2,444	26,288	4,020	11,689	44,441
Disposals	-	-	-	(7,471)	(7,471)
31 January 1997	£13,574	£146,462	£38,746	£48,165	£246,947
<u>Net Book Value</u>					
1 February 1996	£48,870	£ 40,675	£ 6,541	£53,292	£149,378
31 January 1997	£46,426	£ 19,046	£ 4,747	£35,069	£105,288

4 TAXATION

The provision of £15,001 for taxation represents the corporation tax due on the profits for the year.

5 BANK OVERDRAFT

The overdraft is secured by fixed and floating charges over the assets of the company, together with a charge over the lease at 450 Blandford Road, Hamworthy. The company has entered in to the Government Loan Guarantee Scheme and this scheme covers £115,000 of the facility at 31 January 1997.

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1997</u>	<u>1996</u>
	<u>£</u>	<u>£</u>
Trade Creditors	245,310	288,471
Accruals	130,153	137,038
Hire Purchase	11,843	14,516
Taxation (Note 4)	15,001	21,194
Bank Overdraft (Note 5)	128,322	57,643
	<u>£530,629</u>	<u>£518,862</u>

CUSTOM MICRO PRODUCTS LIMITEDNOTES TO THE ABBREVIATED FINANCIAL STATEMENTS (CONTINUED)YEAR ENDED 31 JANUARY 19977 ANALYSIS OF LONG TERM LOANS

	<u>1997</u> <u>£</u>	<u>1996</u> <u>£</u>
Directors Loan Accounts	56,100	56,100
Loan from Custom Fund Pension Scheme, repayable 3 August 1996 (Repaid)	-	50,000
Loan from Custom Fund Pension Scheme, repayable 13 February 2000	30,000	30,000
Ten year loan from Midland Bank Plc, repayable by 23 August 2003	70,709	80,157
Five year loan from Midland Bank Plc, repayable by 23 November 2000	115,000	145,000
	<u>£271,809</u>	<u>£361,257</u>