

Reg no: 1183941

REGISTRAR  
OF COMPANIES

CAPSCAN LIMITED  
FINANCIAL STATEMENTS  
YEAR ENDED 31ST MARCH 1996



CAPSCAN LIMITED

FINANCIAL STATEMENTS

31ST MARCH 1996

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CAPSCAN LIMITED

GENERAL INFORMATION

DIRECTORS

A. Lewin  
D. Singer

SECRETARY

A. Lewin

REGISTERED OFFICE

Tranley House  
Tranley Mews  
144 Fleet Road  
London  
NW3 2QW

BANKERS

Lloyds Bank Plc

AUDITORS

Harold Everett Wreford  
Chartered Accountants  
Harford House  
101-103 Great Portland Street  
London  
W1N 6BH

## CAPSCAN LIMITED

### REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31st March 1996.

### BUSINESS REVIEW

The company's principal activity during the year continued to be the provision of data processing services and the dissemination of database information systems, and there are no plans for any significant changes during the next financial year.

The results for the year are shown on page 5 of the financial statements.

The directors do not recommend the payment of a dividend for the year.

### DIRECTORS AND THEIR INTERESTS

The directors who served during the year and the beneficial interests in the shares of the holding company, Scandex Limited, throughout the year, of those directors in office at the end of the year, were:

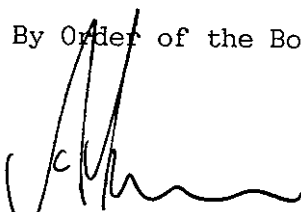
	Ordinary Shares of £1 each
A. Lewin	26,249
D. Singer	-
S.M. Squires (resigned 31.12.95)	

In addition to the above, A. Lewin was among the class of beneficiaries of a discretionary trust interested in 48,751 Ordinary shares of £1 each in the share capital of the holding company throughout the year.

### AUDITORS

Wadlan Ley, Chartered Accountants, resigned during the year and Harold Everett Wreford, Chartered Accountants, who were appointed in their place, are willing to continue in office, and a resolution proposing their reappointment will be put to the annual general meeting.

By Order of the Board



A. Lewin  
Secretary

23rd January 1997

CAPSCAN LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires directors to prepare financial statements for each financial year which give a true and fair view of the state of the company's affairs and of the profit or loss of the company for that year. In preparing those financial statements, directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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.

## REPORT OF THE AUDITORS

### TO THE MEMBERS OF CAPSCAN LIMITED

We have audited the financial statements on pages 5 to 10 which have been prepared under the historical cost convention and the accounting policies set out in note 1.

#### Respective responsibilities of directors and auditors

As described on page 3, 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.

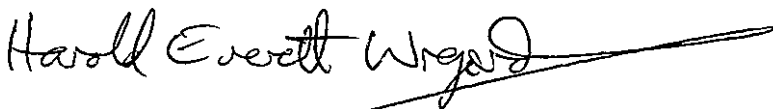
#### Basis of opinion

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 31st March 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



HAROLD EVERETT WREFORD  
Chartered Accountants  
Registered Auditor  
Harford House  
101-103 Great Portland Street  
London  
W1N 6BH

23rd January 1997

CAPSCAN LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 1996

	<u>Notes</u>	<u>1996</u>	<u>1995</u>
		£	£
<u>TURNOVER</u>	2	887,363	844,253
Cost of sales		581,815	544,064
<u>GROSS PROFIT</u>		305,548	300,189
Distribution costs		2,082	2,765
Administrative expenses		426,762	301,870
		428,844	304,635
<u>OPERATING LOSS</u>	3	(123,296)	(4,446)
Interest receivable		56,094	40,633
Interest paid	4	(1,037)	-
		55,057	40,633
<u>(LOSS) PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(68,239)	36,187
Tax on profit on ordinary activities	5	-	(6,711)
<u>(LOSS) PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		(68,239)	29,476
Retained profit brought forward		1,416,170	1,386,694
<u>RETAINED PROFIT CARRIED FORWARD</u>		£1,347,931	£1,416,170

The company's turnover and expenses relate wholly to continuing operations.

All recognised gains and losses are included in the profit and loss account.

CAPSCAN LIMITED

BALANCE SHEET

AT 31ST MARCH 1996

	<u>Notes</u>	£	<u>1996</u>	£	£	<u>1995</u>	£
<u>FIXED ASSETS</u> - Tangible	6			91,860			75,981
<u>CURRENT ASSETS</u>							
Debtors	7	1,217,458			852,776		
Cash at bank and in hand		565,863			821,034		
			1,783,321		1,673,810		
<u>CREDITORS: Amounts falling due</u> <u>within one year</u>	8	527,150			333,521		
<u>NET CURRENT ASSETS</u>				1,256,171			1,340,289
<u>TOTAL ASSETS LESS CURRENT</u> <u>LIABILITIES</u>				£1,348,031			£1,416,270
<u>CAPITAL AND RESERVES</u>							
Called up share capital	9			100			100
Profit and loss account				1,347,931			1,416,170
<u>SHAREHOLDERS' FUNDS</u>	10			£1,348,031			£1,416,270

A. Lewin .....  Director

D. Singer .....  Director

These financial statements were approved by the board on 23rd January 1997.



CAPSCAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31ST MARCH 1996

1. ACCOUNTING POLICIES

a) Basis of Accounting

The financial statements continue to be prepared under the historical cost convention.

b) Turnover

Turnover represents the invoiced amount of goods sold and services provided, stated net of value added tax. Credit is taken for subscriptions paid by customers on an accruals basis over the period to which they relate.

c) Depreciation

Depreciation is provided on tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life.

The rates used are on a straight line basis as follows:

Plant and machinery	- 5 years
Fixtures and fittings	- 5 years
Motor vehicles	- 5 years

d) Deferred Taxation

Taxation is potentially payable on timing differences, which include the difference between the net book value of fixed assets in the financial statements and their written down value for taxation purposes. The directors do not consider that a material liability will arise in the foreseeable future, and consequently no provision has been made for any taxation liability which may arise. There is no potential liability at the balance sheet date (1995 - £Nil).

2. TURNOVER

The turnover and pre-tax loss are wholly attributable to the company's principal activity.

All sales were made and services were provided to the United Kingdom market, with the exception of £3,860 (1995 - £Nil) to the USA.

CAPSCAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31ST MARCH 1996

3. OPERATING LOSS

	<u>1996</u> £	<u>1995</u> £
This is stated after charging:		
Directors' remuneration (see below)	91,400	97,097
Wages and salaries	423,511	292,082
Social security costs	53,473	40,199
	<hr/>	<hr/>
Total staff costs*	568,384	429,378
Auditors' remuneration	2,750	3,500
Depreciation	31,872	24,379
	<hr/>	<hr/>

\* Average weekly number of employees:

	<u>No.</u>	<u>No.</u>
Management	3	3
Production	9	9
Sales	9	5
Administration	4	2
	<hr/>	<hr/>
	25	19

Directors' Remuneration

Chairman	£ 18,000	£ 18,000
	<hr/>	<hr/>
Highest paid director	£ 41,000	£ 41,180
	<hr/>	<hr/>

The remuneration of the other director was within the £30,001 - £35,000 range (1995 - £35,001 - £40,000).

4. INTEREST PAID

This arose on the following borrowings:

Bank	37	-
Other	1,000	-
	<hr/>	<hr/>
	£ 1,037	£ -
	<hr/>	<hr/>

5. TAXATION

U.K. corporation tax on the profit on ordinary activities	£ -	£ (6,711)
	<hr/>	<hr/>

CAPSCAN LIMITEDNOTES TO THE FINANCIAL STATEMENTS (Continued)31ST MARCH 19966. TANGIBLE FIXED ASSETS

<u>Cost</u>	<u>Plant &amp; Equipment</u> £	<u>Fixtures &amp; Fittings</u> £	<u>Motor Vehicles</u> £	<u>Total</u> £
At 1st April 1995	180,505	30,394	6,805	217,704
Additions	39,217	1,584	6,950	47,751
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1996	219,722	31,978	13,755	265,455
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Depreciation</u>				
At 1st April 1995	110,860	29,502	1,361	141,723
For the year	29,486	562	1,824	31,872
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1996	140,346	30,064	3,185	173,595
	<hr/>	<hr/>	<hr/>	<hr/>
<u>Net Book Value</u>				
At 31st March 1996	£ 79,376	£ 1,914	£ 10,570	£ 91,860
	<hr/>	<hr/>	<hr/>	<hr/>
At 31st March 1995	£ 69,645	£ 892	£ 5,444	£ 75,981
	<hr/>	<hr/>	<hr/>	<hr/>

7. DEBTORS

	<u>1996</u> £	<u>1995</u> £
Trade debtors	272,340	417,140
Group company	754,239	421,173
Other debtors	101,410	14,463
Prepayments and accrued income	88,066	-
	<hr/>	<hr/>
Due within one year	1,216,055	852,776
Due after more than one year:		
Other debtor	1,403	-
	<hr/>	<hr/>
	£1,217,458	£852,776
	<hr/>	<hr/>

Other debtors due within one year includes overdrawn directors' current accounts of £12,000 (1995 - £Nil) relating to Mr. D. Singer and £44,034 (1995 - £10,769) in respect of Mr. A. Lewin. These amounts outstanding at the balance sheet date were also the highest amounts outstanding at any one time during the year.

CAPSCAN LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued)

31ST MARCH 1996

8. <u>CREDITORS: Amounts falling due</u> <u>within one year</u>	<u>1996</u> £	<u>1995</u> £
Trade creditors	32,949	67,576
Group companies	26,453	-
Corporation tax	-	6,711
Other taxation and social security	63,648	47,530
Other creditors	139,765	-
Accruals and deferred income	264,335	211,704
	<hr/>	<hr/>
	£527,150	£333,521
	<hr/>	<hr/>

9. SHARE CAPITAL

Authorised, Allotted, Called Up  
and Fully Paid

100 Ordinary shares of £1 each	£ 100	£ 100
	<hr/>	<hr/>

10. SHAREHOLDERS' FUNDS

Shareholders' funds, which are wholly attributable to equity interests, have decreased by the loss for the year as shown on page 5.

11. HOLDING COMPANY

The company is a wholly-owned subsidiary of Scandex Limited.

12. PENSION COMMITMENTS

The company, as part of the Scandex group of companies, operates a non-contributory money purchase pension scheme for its present directors. No contributions were made to the scheme during the year (1995 - £Nil).

The latest actuarial valuation of the scheme was carried out as at 31st March 1993. The most significant actuarial assumptions having an effect on the contribution rate are those relating to the valuation rate of interest (9% p.a.) and the rates of increase in salaries and pensions (8.5% and 7% p.a. respectively). The valuation was £2,177,678.