



**COMPUTER REPAIR CENTRE  
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2002

Company no 1319856

# COMPUTER REPAIR CENTRE LIMITED

## FINANCIAL STATEMENTS

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Company registration number: 1319856

Registered office: Unit 20  
Thame Park Business Centre  
Wenman Road  
Thame  
OX9 3XA

Directors: C J Matthews  
K P Scott-Cowell  
M J Peagram  
A D McLaughlin

Secretary: J Bowen

Bankers: National Westminster Bank Plc

Auditors: Grant Thornton  
Registered auditors  
Chartered accountants  
1 Westminster Way  
Oxford  
OX2 0PZ

# **COMPUTER REPAIR CENTRE LIMITED**

## **FINANCIAL STATEMENTS**

For the year ended 31 December 2002

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# **COMPUTER REPAIR CENTRE LIMITED**

## **REPORT OF THE DIRECTORS**

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The directors present their report together with financial statements for the year ended 31 December 2002.

### **Principal activities**

The company is principally engaged in the service and repair of electronic equipment.

### **Business review**

There was a profit for the year after taxation amounting to £2,555,194 (2001: profit £2,058,988). The directors recommend payment of dividends of £2,372,603 (2001: £1,687,500).

### **Directors**

The present membership of the Board is C J Matthews, K P Scott-Cowell, M J Peagram and A D McLaughlin. All directors served throughout the year except A D McLaughlin who was appointed on 27 June 2002.

None of the directors had any interest in the shares of the company during the year. The interests of the directors and their families, who are also directors of the company's parent undertaking, in the shares of the company's parent undertaking as at 31 December 2002 and 1 January 2002, or the date of their appointment to the Board if later, are disclosed in that company's financial statements.

K P Scott-Cowell had no interest in the ordinary shares of the company's parent undertaking, but held options over 111,230 (2001: 150,397) ordinary shares exercisable at prices ranging between 67.5p and 224.0p per share during various periods between October 2002 to April 2008.

### **Directors' responsibilities for the financial statements**

Company law in the United Kingdom 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
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements
- 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 maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

### **Payment policy and practice**

It is the company's policy to settle the terms of payment with suppliers when agreeing the terms of the transaction, to ensure that suppliers are aware of these terms and to abide by them.

Trade creditors at the year end amount to 28 days of average supplies for the year (2001: 33 days).

**COMPUTER REPAIR CENTRE LIMITED**

**REPORT OF THE DIRECTORS**

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**Auditors**

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD

A handwritten signature in black ink, appearing to read 'C J Matthews', is written over the printed name.

C J Matthews  
Director  
17 February 2003

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COMPUTER REPAIR CENTRE LIMITED**

We have audited the financial statements of Computer Repair Centre Limited for the year ended 31 December 2002 which comprise the principal accounting policies, the profit and loss account, the balance sheet and notes 1 to 20. These financial statements have been prepared under the accounting policies set therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective responsibilities of directors and auditors**

The directors' responsibilities for preparing the directors' report and the financial statements in accordance with United Kingdom law and accounting standards are set out in the statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom auditing standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read other information contained in the directors' report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of opinion**

We conducted our audit in accordance with United Kingdom 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.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
COMPUTER REPAIR CENTRE LIMITED**

**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 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS  
OXFORD  
17 February 2003**

## **COMPUTER REPAIR CENTRE LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **BASIS OF PREPARATION**

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards and under the historical cost convention, up to and incorporating FRS 19, deferred taxation.

The principal accounting policies of the company have remained unchanged from the previous, except for the adoption of FRS 19, deferred taxation, year and are set out below. The overall effect of the adoption of FRS 19 is not material.

#### **TURNOVER**

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Income relating to the company's maintenance contracts is credited to turnover on a straight line basis over the term of the contract.

#### **TANGIBLE FIXED ASSETS AND DEPRECIATION**

Depreciation is calculated to write down the cost of all tangible fixed assets by annual instalments over their expected useful lives. The rates applicable are:

Plant and machinery	3 - 5 years
Leasehold improvements	5 years
Fixtures and fittings	1 - 3 years

#### **INVESTMENTS**

Investments are included at cost. Profits or losses arising from disposals of fixed asset investments are treated as part of the result from ordinary activities.

#### **STOCKS**

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

Cost is purchase price, including transport and handling charges, less trade discounts. Net realisable value is the estimated selling price, after trade discounts, less all costs incurred in marketing, selling and distribution.

#### **DEFERRED TAXATION**

Deferred tax is recognised on all timing differences where the transactions or events that give the group an obligation to pay more tax in the future, or a right to pay less tax in the future, have occurred by the balance sheet date. Deferred tax on defined benefit pension scheme surpluses or deficits is adjusted against these surpluses. Deferred tax assets are recognised when it is more likely than not that they will be recovered. Deferred tax is measured using rates of tax that have been enacted or substantively enacted by the balance date.

#### **FOREIGN CURRENCIES**

Transactions in foreign currencies are translated at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities in foreign currencies are translated at the rates of exchange ruling at the balance sheet date.



## **COMPUTER REPAIR CENTRE LIMITED**

### **PRINCIPAL ACCOUNTING POLICIES**

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#### **CONTRIBUTIONS TO PENSION FUNDS**

##### **Defined contribution scheme**

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

#### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

# COMPUTER REPAIR CENTRE LIMITED

## PROFIT AND LOSS ACCOUNT

For the year ended 31 December 2002

	Note	2002 £	2001 (Restated see note 1) £
<b>Turnover</b>	i	<b>24,994,970</b>	23,474,600
Cost of sales		<u>(22,264,800)</u>	<u>(22,492,169)</u>
Gross profit		2,730,170	982,431
Administrative expenses		(2,436,268)	(2,008,452)
Other operating income		<u>253,767</u>	<u>627,397</u>
<b>Operating profit</b>		<b>547,669</b>	(398,624)
Income from other fixed asset investments		2,200,000	2,550,000
Net interest payable	2	<u>(252,784)</u>	<u>(295,388)</u>
<b>Profit on ordinary activities before taxation</b>	1	<b>2,494,885</b>	1,855,988
Tax on profit on ordinary activities	4	<u>60,309</u>	<u>203,000</u>
<b>Profit for the financial year</b>	14	<b>2,555,194</b>	2,058,988
Dividends	5		
Equity		(2,335,103)	(1,650,000)
Non-equity		<u>(37,500)</u>	<u>(37,500)</u>
<b>Profit transferred to reserves</b>	13	<b>182,591</b>	371,488

There were no recognised gains or losses other than the profit for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

# COMPUTER REPAIR CENTRE LIMITED

## BALANCE SHEET AT 31 DECEMBER 2002

	Note	2002 £	2002 £	2001 £	2001 £
<b>Fixed assets</b>					
Tangible assets	7		1,937,775		1,907,185
Investments	6		78,284		83,763
			<u>2,016,059</u>		<u>1,990,948</u>
<b>Current assets</b>					
Stocks	8	2,612,252		2,921,483	
Debtors	9	8,850,787		6,619,488	
Cash at bank and in hand		<u>207,567</u>		<u>136,068</u>	
		11,670,606		9,677,039	
<b>Creditors: amounts falling due within one year</b>	10	<u>(12,898,051)</u>		<u>(11,044,260)</u>	
<b>Net current liabilities</b>			<u>(1,227,445)</u>		<u>(1,367,221)</u>
<b>Total assets less current liabilities</b>			<u>788,614</u>		<u>623,727</u>
<b>Creditors: amounts falling due after more than one year</b>	11		<u>(24,235)</u>		<u>(41,939)</u>
			<u>764,379</u>		<u>581,788</u>
<b>Capital and reserves</b>					
Called up share capital	12		540,000		540,000
Profit and loss account	13		<u>224,379</u>		<u>41,788</u>
Shareholders' funds	14		<u>764,379</u>		<u>581,788</u>
Equity shareholders' funds			264,379		81,788
Non-equity shareholders' funds			<u>500,000</u>		<u>500,000</u>
			<u>764,379</u>		<u>581,788</u>

The financial statements were approved by the Board of Directors on 17 February 2003.

C J Matthews



Director

The accompanying accounting policies and notes form an integral part of these financial statements.

# COMPUTER REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

### 1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and profit before taxation are attributable to the service and repair of electronic equipment.

The profit on ordinary activities is stated after:	<b>2002</b>	<b>2001</b>
	£	£
Auditors' remuneration	<b>19,500</b>	19,232
Depreciation of tangible fixed assets, owned	<b>879,677</b>	673,152
Hire of plant and machinery	<b>354,614</b>	236,090
Other operating lease rentals	<b>398,112</b>	518,944

The directors have reviewed the categorisation of administration and direct expenditure and believe the restated position to show a more accurate reflection of the nature of the costs.

### 2 NET INTEREST

	<b>2002</b>	<b>2001</b>
	£	£
On bank loan and overdraft	<b>266,626</b>	314,364
Other interest receivable and similar income	<b>(13,842)</b>	(18,976)
	<b>252,784</b>	295,388

### 3 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:	<b>2002</b>	<b>2001</b>
	£	£
Wages and salaries	<b>8,514,078</b>	7,755,393
Social security costs	<b>727,294</b>	626,605
Other pension costs	<b>171,622</b>	177,090
	<b>9,412,994</b>	8,559,088

The average number of employees of the company during the year was 539 (2001: 518).

# COMPUTER REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

Remuneration in respect of directors was as follows:

	2002 £	2001 £
Emoluments	124,853	126,890
Pension contributions	3,816	3,708
	<u>128,669</u>	<u>130,598</u>

All of the directors are paid through CRC Group Plc, the company's parent undertaking. The remuneration of the directors who are also directors of CRC Group Plc is disclosed in that company's financial statements.

During the year 1 director, who was not also a director of CRC Group Plc, (2001: 1) participated in money purchase pension schemes.

### 4 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge/(credit) represents:

	2002 £	2001 £
Group Relief	(33,000)	(203,000)
Adjustment in respect of prior periods	25,691	-
Total current tax	<u>(7,309)</u>	<u>(203,000)</u>
Origination and reversal of timing differences	(99,000)	-
Adjustment in respect of prior periods	46,000	-
Tax on profit on ordinary activities	<u>(60,309)</u>	<u>(203,000)</u>

The tax assessed for the period is lower than the standard rate of corporation tax in the UK 30% (2001: 30%). The differences are explained as follows:

	2002 £	2001 £
Profit on ordinary activities before tax	2,494,885	1,855,988
Dividend Receivable	(2,200,000)	(2,550,000)
Profit on ordinary activities before tax	<u>294,885</u>	<u>(694,012)</u>

# COMPUTER REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

	2002 £	2001 £
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2001: 30%).	88,446	(208,204)
Effect of:		
Expenses not deductible for tax purposes	45,969	14,310
Depreciation for the period in excess of capital allowances	48,070	21,623
Other timing differences	15,318	(14,445)
Tax losses utilised during the period	(4,153)	(16,284)
Tax relief on AESOP share allocations	(200,959)	-
Current tax charge for period	(7,309)	(203,000)

### 5 DIVIDENDS

	2002 £	2001 £
Ordinary shares - final dividend of £58.38 per share (2001: £41.25 per share)	2,335,103	1,650,000
Non-equity dividends:		
Preference dividend of 7.5% per share (2001: 7.5%)	37,500	37,500

### 6 FIXED ASSETS INVESTMENT

	Shares in group undertaking £	Total £
Cost		
At 1 January 2002	83,763	83,763
Disposals	(5,479)	(5,479)
At 31 December 2002	78,284	78,284

## COMPUTER REPAIR CENTRE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

The fixed asset investment represents 406,681 (2001: 435,181) ordinary 2p shares in the company's parent undertaking, CRC Group plc. These shares are held at cost by an employee share ownership trust established for the purpose of satisfying obligations for the benefit of the group's employees.

These shares are split down as follows:

PDR Corporate Trustee Limited	32,381
CRC Corporate Trustees (unallocated to employees)	44,650
CRC Corporate Trustees (allocated to employees)	329,650

During the year 28,500 shares were distributed to employees who were eligible for distribution.

Dividends of £28,468 (2001: £13,055) have been paid to the trust in the year. The market value of these shares at 31 December 2002 was £991,773 (2001: £1,018,323).

The Trust is an employee share ownership trust approved by the Inland Revenue and has been set up as an incentive for employees of the group and holds shares in CRC Group plc for the benefit of the officers and employees of the group. The shares are held in CRC Corporate Trust for a minimum of three years and the Trust may distribute these shares at its own discretion.

## 7 TANGIBLE FIXED ASSETS

	Leasehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
Cost				
At 1 January 2002	196,122	4,299,727	1,206,093	5,701,942
Additions	155,304	746,924	8,039	910,267
Reclassifications	(8,887)	(252,885)	261,772	-
At 31 December 2002	342,539	4,793,766	1,475,904	6,612,209
Depreciation				
At 1 January 2002	136,849	2,547,513	1,110,395	3,794,757
Provided in the year	22,134	763,035	94,508	879,677
Reclassifications	6,093	94,541	(100,634)	-
At 31 December 2002	165,076	3,405,089	1,104,269	4,674,434
<b>Net book amount at 31 December 2002</b>	<b>177,463</b>	<b>1,388,677</b>	<b>371,635</b>	<b>1,937,775</b>
Net book amount at 31 December 2001	59,273	1,752,214	95,698	1,907,185

**COMPUTER REPAIR CENTRE LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2002

**8 STOCKS**

	2002 £	2001 £
Goods for resale	<u>2,612,252</u>	<u>2,921,483</u>

**9 DEBTORS**

	2002 £	2001 £
Trade debtors	5,054,172	5,182,511
Amounts owed by group undertakings	3,211,778	545,317
Other debtors	8,938	-
Taxation recoverable	53,000	25,692
Prepayments and accrued income	<u>522,899</u>	<u>865,968</u>
	<u>8,850,787</u>	<u>6,619,488</u>

**10 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002 £	2001 £
Bank loans and overdraft	4,241,053	5,473,135
Trade creditors	1,615,416	1,230,421
Amounts owed to group undertakings	4,668,629	1,842,465
Social security and other taxes	493,048	493,887
Accruals and deferred income	1,871,491	1,978,767
Amounts due under finance leases	<u>8,414</u>	<u>25,585</u>
	<u>12,898,051</u>	<u>11,044,260</u>

**11 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2002 £	2001 £
Amounts due under finance leases	<u>24,235</u>	<u>41,939</u>



# COMPUTER REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

Borrowings are repayable as follows:

	2002 £	2001 £
Within one year		
Bank and other borrowings	4,241,053	5,473,135
Finance leases	8,414	25,585
After one and within two years		
Finance leases	9,145	13,480
After two and within five years		
Finance leases	15,090	28,459
	<u>4,273,702</u>	<u>5,540,659</u>

## 12 SHARE CAPITAL

	2002 £	2001 £
Authorised		
100,000 'A' Ordinary shares of £1 each	100,000	100,000
500,000 Preference shares of £1 each	500,000	500,000
	<u>600,000</u>	<u>600,000</u>
Allotted, called up and fully paid		
40,000 'A' Ordinary shares of £1 each	40,000	40,000
500,000 Preference shares of £1 each	500,000	500,000
	<u>540,000</u>	<u>540,000</u>

Preference shares

The preference shares are non-equity shares which carry an entitlement to a dividend at the rate of 7.5% per share per annum. They may be redeemed at £1 per share at any time up to and including 31 December 2014 at the option of the holder. Preference share holders have the right on a winding-up to receive, in priority to any other class of shares, the sum of £1 per share together with any arrears of dividends.

## 13 RESERVES

	Profit and loss account £
At 1 January 2002	41,788
Retained profit for the year	182,591
At 31 December 2002	<u>224,379</u>

# COMPUTER REPAIR CENTRE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2002

The preference dividend shown in the profit and loss account is a non equity appropriation reflecting the dividend to preference shareholders. At the 31 December 2002 arrears of dividends amounting to £112,500 (2001: £112,500) were outstanding and arose as a result of insufficient distributable reserves in prior years. These arrears have accrued since December 1999.

### 14 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the financial year	2,555,194	2,058,988
Dividends	(2,372,603)	(1,687,500)
Net increase in shareholders' funds	182,591	371,488
Shareholders' funds at 1 January 2002	581,788	210,300
Shareholders' funds at 31 December 2002	764,379	581,788

### 15 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 2002 or 31 December 2001.

### 16 CONTINGENT ASSETS/LIABILITIES

The company is party to a composite bank guarantee which includes other company's within CRC Group plc. The contingent liability arising from this guarantee amounted to £2,067,000 at 31 December 2002 (2001: £2,363,000).

There were no other contingent liabilities at 31 December 2002 or 31 December 2001.

### 17 LEASING COMMITMENTS

Operating lease payments amounting to £668,377 (2001: £764,508) are due within one year. The leases to which these amounts relate expire as follows:

	2002		2001	
	Land and buildings £	Other £	Land and buildings £	Other £
In one year or less	-	66,857	-	3,225
Between one and five years	-	146,888	-	175,022
In five years or more	454,632	-	586,261	-
	454,632	213,745	586,261	178,247

## **COMPUTER REPAIR CENTRE LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 December 2002

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#### **18 PENSIONS**

Benefits from the company's pension schemes are related to the cash value of the funds at retirement dates and the company is under no obligation to provide any minimum level of benefits. The assets of the scheme are administered by trustees in a fund independent from those of the company.

#### **19 RELATED PARTY TRANSACTIONS**

In accordance with FRS 8 the company has utilised the exemption of disclosing related party transactions with its parent undertaking as it is a 90% or more subsidiary.

#### **20 ULTIMATE PARENT UNDERTAKING**

The directors consider the ultimate parent undertaking of this company is CRC Group plc, which is registered in England and Wales.

The largest group of undertakings for which group accounts have been drawn up is that headed by CRC Group plc. Copies of the accounts can be obtained from CRC Group plc, Unit 20, Thame Business Park Centre, Wenman Road, Thame, Oxon, OX9 3XA.