

Company Registration No. 01367328 (England and Wales)

**COMTrex SYSTEMS CORPORATION LIMITED**  
**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2002**



# COMTREX SYSTEMS CORPORATION LIMITED

## COMPANY INFORMATION

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**Directors**

N D Roberts  
S D Roberts  
S J Roberts  
J C Rice

**Secretary**

S J Roberts

**Company number**

01367328

**Registered office**

2 Gatwick Metro Centre, Balcombe Road  
Horley  
Surrey  
RH6 9GA

**Auditors**

Rothman Pantall & Co  
Clareville House  
26/27 Oxendon Street  
London  
SW1Y 4EP

# COMTREX SYSTEMS CORPORATION LIMITED

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# **COMTREX SYSTEMS CORPORATION LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2002**

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The directors present their report and financial statements for the year ended 31 March 2002.

### **Principal activities**

The principal activity of the company continued to be that of suppliers of point of sale equipment and related stationery.

We are pleased with the results we have achieved this year and remain extremely confident in the future business prospects for the company, particularly in light of the forthcoming release of our next generation Windows point-of-sale product series. With this in mind, we have planned a major investment into the IT infrastructure of the company in an effort to enhance and improve the support that we provide to our existing and potential new customers. This project is scheduled to be complete by the end of our second quarter.

### **Directors**

The following directors have held office since 1 April 2001:

N D Roberts

S D Roberts

S J Roberts

J C Rice

### **Directors' interests**

The company's entire share capital is held by Comtrex Systems Corporation, a company incorporated in the United States of America. Directors' interests in the share capital of the parent company are disclosed in the accounts of that company.

### **Auditors**

In accordance with section 385 of the Companies Act 1985, a resolution proposing that Rothman Pantall & Co be reappointed as auditors of the company will be put to the Annual General Meeting.

# COMTREX SYSTEMS CORPORATION LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2002

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### Directors' responsibilities

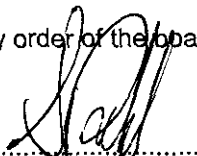
Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- 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.

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

By order of the board



S D Roberts

Director

17-06-2002

# COMTREX SYSTEMS CORPORATION LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF COMTREX SYSTEMS CORPORATION LIMITED

We have audited the financial statements of Comtrex Systems Corporation Limited on pages 4 to 13 for the year ended 31 March 2002. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

### Respective responsibilities of the directors and auditors

As described in the statement of directors' responsibilities on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

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 the directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

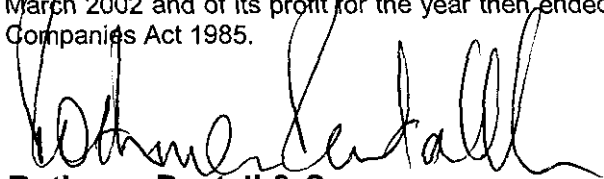
### Basis of audit opinion

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



**Rothman Pantall & Co**

**Chartered Accountants & Registered Auditors**

Clareville House

26/27 Oxendon Street

London

SW1Y 4EP

17 June 2002

# COMTREX SYSTEMS CORPORATION LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2002

	Notes	2002 £	2001 £
Turnover		2,152,909	2,312,238
Cost of sales		(1,230,250)	(1,478,666)
<b>Gross profit</b>		<u>922,659</u>	<u>833,572</u>
Distribution costs		(58,225)	(54,307)
Administrative expenses		(664,596)	(706,273)
<b>Operating profit</b>	<b>2</b>	<u>199,838</u>	<u>72,992</u>
Interest payable and similar charges	<b>3</b>	(35,773)	(42,910)
<b>Profit on ordinary activities before taxation</b>		<u>164,065</u>	<u>30,082</u>
Tax on profit on ordinary activities	<b>4</b>	(37,530)	(6,875)
<b>Profit on ordinary activities after taxation</b>	<b>11</b>	<u><u>126,535</u></u>	<u><u>23,207</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

There are no recognised gains and losses other than those passing through the profit and loss account.

# COMTREX SYSTEMS CORPORATION LIMITED

## BALANCE SHEET AS AT 31 MARCH 2002

	Notes	2002 £	£	2001 £	£
<b>Fixed assets</b>					
Tangible assets	5		311,686		313,134
<b>Current assets</b>					
Stocks		200,586		229,319	
Debtors	6	950,049		816,012	
Cash at bank and in hand		78,699		298	
		1,229,334		1,045,629	
<b>Creditors: amounts falling due within one year</b>	7	(827,965)		(862,593)	
<b>Net current assets</b>			401,369		183,036
<b>Total assets less current liabilities</b>			713,055		496,170
<b>Creditors: amounts falling due after more than one year</b>	8		(258,982)		(168,632)
<b>Provisions for liabilities and charges</b>	9		(11,687)		(11,687)
			442,386		315,851
<b>Capital and reserves</b>					
Called up share capital	10		6,000		6,000
Profit and loss account	11		436,386		309,851
<b>Shareholders' funds - equity interests</b>	12		442,386		315,851

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The financial statements were approved by the Board on 17-06-2002

  
S D Roberts  
Director



# COMTREX SYSTEMS CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

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### 1 Accounting policies

#### 1.1 Accounting convention

The financial statements are prepared under the historical cost convention.

#### 1.2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards.

#### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold property	Over 50 years
Equipment, fixtures & tools	15% - 25% reducing balance/straight line
Motor vehicles	25% reducing balance

#### 1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

#### 1.6 Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Costs include all direct expenditure and an appropriate proportion of fixed and variable overheads.

#### 1.7 Pensions

The company operates a defined contribution pension scheme. The pension costs charged in the financial statements represent the contributions payable by the company during the year in accordance with SSAP 24. These contributions are invested separately from the company's assets.

#### 1.8 Deferred taxation

Provision is made for deferred taxation on the liability basis in respect of all material timing differences.

#### 1.9 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

# COMTREX SYSTEMS CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

<b>2</b>	<b>Operating profit</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	Operating profit is stated after charging:		
	Depreciation of tangible assets	36,479	28,397
	Loss on disposal of tangible assets	3,945	-
	Loss on foreign exchange transactions	-	3,971
	Operating lease rentals	83,908	96,428
	Auditors' remuneration	5,000	5,000
	Directors' emoluments	150,465	152,348
	and after crediting:		
	Profit on foreign exchange transactions	(15,655)	-
		<u>          </u>	<u>          </u>
<b>3</b>	<b>Interest payable</b>	<b>2002</b>	<b>2001</b>
		<b>£</b>	<b>£</b>
	Included in interest payable are the following amounts:		
	On amounts payable to group companies	19,214	24,258
	Hire purchase interest	893	611
		<u>          </u>	<u>          </u>
		<u>20,107</u>	<u>24,869</u>

# COMTREX SYSTEMS CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

4	Taxation	2002 £	2001 £
	<b>Domestic current year tax</b>		
	U.K. corporation tax	37,530	3,500
	Adjustment for prior years	-	(2,003)
	<b>Current tax charge</b>	37,530	1,497
	<b>Deferred tax</b>		
	Deferred tax charge/credit current year	-	5,378
		37,530	6,875
	<b>Factors affecting the tax charge for the year</b>		
	Profit on ordinary activities before taxation	164,065	30,082
	Profit on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 20.00% (2001 : 20.00%)	32,813	6,016
	Effects of:		
	Non deductible expenses	2,496	884
	Depreciation	7,296	5,679
	Capital allowances	(7,129)	(10,242)
	Adjustments to previous periods	-	(2,003)
	Other tax adjustments	2,054	1,163
		4,717	(4,519)
	<b>Current tax charge</b>	37,530	1,497

# COMTREX SYSTEMS CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

### 5 Tangible fixed assets

	Freehold Land and buildings £	Plant and machinery etc £	Total £
<b>Cost</b>			
At 1 April 2001	203,571	285,564	489,135
Additions	-	43,210	43,210
Disposals	-	(17,363)	(17,363)
At 31 March 2002	203,571	311,411	514,982
<b>Depreciation</b>			
At 1 April 2001	15,267	160,734	176,001
On disposals	-	(9,184)	(9,184)
Charge for the year	4,071	32,408	36,479
At 31 March 2002	19,338	183,958	203,296
<b>Net book value</b>			
At 31 March 2002	184,233	127,453	311,686
At 31 March 2001	188,304	124,830	313,134

Included above are assets held under finance leases or hire purchase contracts as follows:

	Equipment, fixtures & tools £	Motor vehicles £	Total £
<b>Net book values</b>			
At 31 March 2002	-	27,259	27,259
At 31 March 2001	14,260	13,542	27,802
<b>Depreciation charge for the year</b>			
31 March 2002	-	2,767	2,767
31 March 2001	3,258	288	3,546

# COMTrex SYSTEMS CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

6	Debtors	2002 £	2001 £
	Trade debtors	925,866	783,551
	Other debtors	24,183	32,461
		<u>950,049</u>	<u>816,012</u>
7	Creditors: amounts falling due within one year	2002 £	2001 £
	Bank loans and overdrafts	10,867	60,396
	Net obligations under hire purchase contracts	12,423	5,900
	Trade creditors	99,797	140,264
	Amounts owed to group undertakings and undertakings in which the company has a participating interest	165,706	216,579
	Taxation and social security	75,102	46,260
	Other creditors	464,070	393,194
		<u>827,965</u>	<u>862,593</u>

As security for bank loans and overdrafts advanced, the company's bankers hold a legal charge over the freehold properties and a debenture giving a fixed and floating charge over the assets of the company.

# COMTREX SYSTEMS CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

8 Creditors: amounts falling due after more than one year	2002 £	2001 £
Bank loans	248,973	160,680
Net obligations under hire purchase contracts	10,009	7,952
	<u>258,982</u>	<u>168,632</u>
<b>Analysis of loans</b>		
Not wholly repayable within five years by instalments	163,782	168,734
Wholly repayable within five years	96,058	-
Included in current liabilities	(10,867)	(8,054)
	<u>248,973</u>	<u>160,680</u>
<b>Loan maturity analysis</b>		
In more than one year but not more than two years	25,059	21,106
In more than two years but not more than five years	84,839	54,406
In more than five years	127,994	85,168
	<u></u>	<u></u>
<b>Net obligations under hire purchase contracts</b>		
Repayable within one year	13,883	7,072
Repayable between one and five years	11,203	8,689
	<u>25,086</u>	<u>15,761</u>
Finance charges and interest allocated to future accounting periods	(2,654)	(1,909)
	<u>22,432</u>	<u>13,852</u>
Included in liabilities falling due within one year	(12,423)	(5,900)
	<u>10,009</u>	<u>7,952</u>

The bank loans are secured (see note 7)

The bank loans are secured and repayable in instalments to February 2017 and January 2008 with interest payable at 2% over the base rate of National Westminster Bank plc.

### 9 Provisions for liabilities and charges

	Deferred taxation £
Balance at 1 April 2001 and at 31 March 2002	<u>11,687</u>

Deferred tax is fully provided at 20% and relates to accelerated capital allowances.

# COMTREX SYSTEMS CORPORATION LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002

10 Share capital	2002 £	2001 £
<b>Authorised</b>		
10,000 Ordinary shares of £ 1 each	10,000	10,000
<b>Allotted, called up and fully paid</b>		
6,000 Ordinary shares of £ 1 each	6,000	6,000

### 11 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 April 2001	309,851
Retained profit for the year	126,535
Balance at 31 March 2002	436,386

### 12 Reconciliation of movements in shareholders' funds

	2002 £	2001 £
Profit for the financial year	126,535	23,207
Opening shareholders' funds	315,851	292,644
Closing shareholders' funds	442,386	315,851

### 13 Financial commitments

At 31 March 2002 the company had annual commitments under non-cancellable operating leases as follows:

	2002 £	2001 £
Expiry date:		
Within one year	30,180	17,875
Between two and five years	24,506	62,606
	54,686	80,481

### 14 Control

The company is wholly owned by Comtrex Systems Corporation, a company incorporated in the United States of America and quoted on the Nasdaq Stock Market. The parent company is this company's ultimate controlling party.

# **COMTREX SYSTEMS CORPORATION LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2002**

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### **15 Related party transactions**

During the year under review, the company purchased goods and services from its parent company (see above note) at open market value of £642,779 (2001 £786,097). The amount due to the parent company at the year end, is disclosed in the notes above.

### **16 Post balance sheet events**

Subsequent to the year end the company has invested £85,000 in new computer equipment.