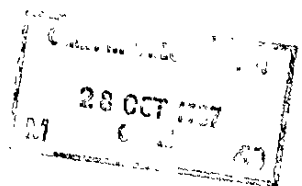


1396396

# Accounts

TOPEXPRESS LIMITED

31st December 1986



AUDITORS' REPORT TO THE DIRECTORS' UNDER PARAGRAPH 10 OF SCHEDULE 8  
TO THE COMPANIES ACT 1985

We have reviewed the modified accounts set out on pages 2 to 5 for the year ended 31st December 1986. In our opinion, the directors are entitled to deliver accounts modified as for a small company in respect of the year, as claimed in their statement on page 2, and the modified accounts have been properly prepared as such in accordance with Schedule 8 to the Companies Act 1985.

We have not carried out an audit on these modified accounts. However, as auditors of Topexpress Limited, we reported to the members on 4th August 1987 on the company's financial statements prepared under s.227 of the Companies Act 1985 for the year ended 31st December 1986 as follows:

"We have audited the financial statements on pages 4 to 13 in accordance with approved Auditing Standards.

In our opinion the financial statements, which have been prepared under the historical cost convention, give a true and fair view of the state of the company's affairs at 31st December 1986 and of its loss and source and application of funds for the year then ended and comply with the Companies Act 1985."

37 Hills Road,  
Cambridge.

16<sup>th</sup> October 1987

  
Chartered Accountants

BALANCE SHEET  
31st December 1986

	Note	1986	1985
FIXED ASSETS			
Tangible assets		413,014	414,740
Investments in subsidiaries		102	-
		<u>413,116</u>	<u>414,740</u>
CURRENT ASSETS			
Debtors	547,835	323,547	
Cash at bank and in hand	53	18,204	
	<u>547,888</u>	<u>341,751</u>	
CREDITORS - amounts falling due within one year			
Bank overdraft	231,229	-	
Trade creditors	64,179	100,629	
Other creditors	15,388	12,075	
Corporation tax	52,698	39,897	
Other taxation and social security	54,785	56,522	
Accruals	99,638	42,804	
	<u>517,917</u>	<u>251,927</u>	
NET CURRENT ASSETS		<u>29,971</u>	<u>89,824</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		443,087	504,564
CREDITORS - amounts falling due after more than one year	1	(11,805)	(16,074)
PROVISIONS FOR LIABILITIES AND CHARGES		<u>(112,204)</u>	<u>(124,496)</u>
		<u>£319,078</u>	<u>£363,994</u>
CAPITAL AND RESERVES			
CALLED UP SHARE CAPITAL	2	75	100
RESERVES			
Share premium account	24,451	24,451	
Capital redemption reserve	25	-	
Profit and loss account	294,527	339,443	
	<u>319,003</u>	<u>363,894</u>	
	<u>£319,078</u>	<u>£363,994</u>	

The directors have relied on the exemptions for individual accounts contained in ss.247 to 249 of the Companies Act 1985 on the basis that Topexpress Limited is entitled to the benefit of those exemptions as a small company.

*John J. Hannon*  
8 October 1987 *J. W. Wray*

## ACCOUNTING POLICIES

31st December 1986

### CONVENTION

These financial statements have been prepared in accordance with the historical cost convention. The principal accounting policies which the directors have adopted are set out below.

### TURNOVER

Turnover represents the invoiced value exclusive of value added tax of consultancy services, sales of computer software products and software maintenance services.

### DEVELOPMENT EXPENDITURE

Expenditure on development of computer software systems is written off in the year in which it is incurred.

### DEPRECIATION OF FIXED ASSETS

Depreciation is calculated to write off the purchase cost of fixed assets on the straight line basis over the expected useful lives of the assets concerned. A full year's depreciation is charged in the year assets are acquired. The following rates are applied:

Freehold buildings	5%
Short lease premium	over 10 years of lease term
Computer and laboratory equipment	25% and 33.3%
Telephone and telex machinery	25%
Office furniture and fittings	15%
Motor vehicles	25%

Freehold land is not depreciated.

### LEASED ASSETS

Fixed assets leased under finance leases are capitalised and depreciated. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding. The costs of operating leases are charged to the profit and loss account as they accrue. Finance leases expiring during or shortly after the accounting period have, as allowed in the transitional arrangements, not been capitalised.

ACCOUNTING POLICIES  
31st December 1986

WORK IN PROGRESS

Any work in progress is valued at the lower of cost or net realisable value. Cost represents the employment costs and attributable overheads for staff working on contracts plus the cost of computer and laboratory facilities and any other expenditure incurred for the contract.

DEFERRED TAXATION

Provision is made for tax liabilities arising from the allocation of items to different periods for tax and for accounting purposes, except where these are expected to be deferred for some considerable period due to the availability of tax allowances for fixed asset expenditure in advance of depreciation. In establishing the likelihood of continuing deferment, the directors undertake a review at the balance sheet date of past investment patterns and expected future levels of capital expenditure and depreciation.

PENSION SCHEME ARRANGEMENTS

The company's pension schemes are externally funded. Payments made to the fund and charged annually in these accounts comprise current service contributions and back service contributions which are estimates based upon actuarial advice.

NOTES TO THE ACCOUNTS  
31st December 1986

	1986	1985
1. CREDITORS - amounts falling due after more than one year		
Obligations under finance leases, due in the second to fifth years inclusive	5,818	16,074
Hire purchase agreement	5,987	-
	<u>£11,805</u>	<u>£16,074</u>

2. SHARE CAPITAL

Authorised		
Ordinary shares of £1 each	£100	£100
Allotted and fully paid		
Ordinary shares of £1 each	£75	£100

The company purchased, on 18th December 1986, 25 ordinary shares of the company from Mr. J. Lang for a consideration of £121,000.