

ACCESS KEYBOARDS LIMITED  
DIRECTOR'S REPORT

DIRECTOR: R.R.G. Wylie

SECRETARY: L. Nelhams

REGISTERED OFFICE: Unit 18,  
Suttons Business Park,  
Earley,  
Reading,  
RG6 1AZ.

COMPANY NUMBER: 1873263

The director presents his report with the financial statements of the company for the year ended 31st December, 1995.

**PRINCIPAL ACTIVITY**

The company's principal activity continues to be that of the design and manufacture of electronic keyboards.

**REVIEW OF THE BUSINESS**

1995 showed continued growth, with turnover and margins stabilising after rapid increases in 1994.

The company intends to continue its two-pronged strategy in the U.K. of providing solutions for customised keyboard problems and design wins for specialist bar-code and printer products in the retail, industrial, broadcast and banking sectors.

The company is seeking to exploit export opportunities for its custom keyboard products by the appointment of overseas agents and development of multi-national accounts.

**DIVIDENDS**

The director recommends the payment of a dividend of £125 per ordinary share.

**DIRECTORS**

The director did not have a beneficial interest in the share capital of the company during the year under review, as required to be recorded in the Register of Directors' Interests under Section 325 Companies Act 1985.

The interests of the director in the company's parent undertaking, is shown in the financial statements of that company.



ACCESS KEYBOARDS LIMITED  
DIRECTOR'S REPORT

**DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS**

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.

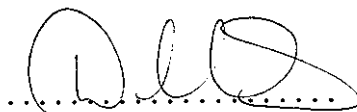
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**AUDITORS**

A resolution to re-appoint Messrs. Bright Grahame Murray, Chartered Accountants, of 124/130, Seymour Place, London, W1H 6AA., as auditors of the company will be proposed at the Annual General Meeting.

This report was approved by the board, taking advantage of special exemptions available to small companies.

By order of the Board

  
.....  
Secretary

..... 17<sup>th</sup> May 1996 .....  
Date

**REPORT OF THE AUDITORS TO THE MEMBERS OF**  
**ACCESS KEYBOARDS LIMITED**

We have audited the financial statements on pages 4 to 12 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 and 7.

**RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS**

As described on page 2 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 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 December, 1995 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

124/130, Seymour Place,  
London, W1H 6AA.  
17th May, 1996

  
**BRIGHT GRAHAME MURRAY**  
**Chartered Accountants**  
**and Registered Auditors**

**ACCESS KEYBOARDS LIMITED**  
**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 1995**

	<u>Notes</u>	<u>1995</u>	<u>1994</u>
		£	£
Turnover	2	1,921,515	1,875,715
Cost of sales		<u>1,250,772</u>	<u>1,226,368</u>
Gross profit		670,743	649,347
Distribution costs		190,152	179,018
Administrative expenses		226,216	300,187
Research and development		<u>65,226</u>	<u>53,498</u>
		<u>481,594</u>	<u>532,703</u>
<b>OPERATING PROFIT</b>	3	189,149	116,644
Interest	4	<u>(15,516)</u>	<u>20,722</u>
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		173,633	137,366
Tax on ordinary activities	5	<u>42,368</u>	<u>22,628</u>
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		131,265	114,738
Retained profit brought forward		555,187	440,449
Dividends	6	<u>250,000</u>	<u>-</u>
		<u>305,187</u>	<u>440,449</u>
<b>RETAINED PROFIT CARRIED FORWARD</b>		436,452	555,187
		=====	=====

All amounts relate to continuing activities.

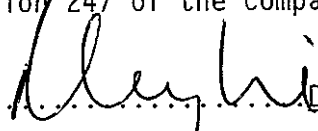
There were no recognised gains or losses other than those included in the profit and loss account.

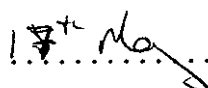
The attached notes 1 to 17 form part of these financial statements.

**ACCESS KEYBOARDS LIMITED**  
**BALANCE SHEET AT 31ST DECEMBER, 1995**

	<u>Notes</u>	£	<u>1995</u>	£	£	<u>1994</u>	£
<b>FIXED ASSETS</b>							
Tangible assets	4		39,387			44,307	
<b>CURRENT ASSETS</b>							
Stocks		56,076		57,646			
Debtors	8	1,070,946		919,599			
Cash at bank and in hand		299,503		297,654			
		<u>1,426,525</u>		<u>1,274,899</u>			
<b>CREDITORS: amounts falling due within one year</b>	9	<u>729,194</u>		<u>394,152</u>			
<b>NET CURRENT ASSETS</b>			<u>697,331</u>			<u>880,747</u>	
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			736,718			925,054	
<b>CREDITORS: amounts falling due after more than one year</b>	10		<u>199,679</u>			<u>246,777</u>	
			537,039			678,277	
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>	11		<u>98,587</u>			<u>121,090</u>	
			438,452			557,187	
			=====			=====	
<b>CAPITAL AND RESERVES</b>							
Called up share capital	12		2,000			2,000	
Profit and loss account			<u>436,452</u>			<u>555,187</u>	
<b>SHAREHOLDERS' FUNDS</b>	13		438,452			557,187	
			=====			=====	

The director has relied on special exemptions available to small companies on the grounds that the company qualifies as a small company by virtue of Section 247 of the Companies Act 1985.

..........Director

Approved on......17<sup>th</sup> May 1996

The attached notes 1 to 17 form part of these financial statements.

**ACCESS KEYBOARDS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 1995**

**1. ACCOUNTING POLICIES**

**BASIS OF PREPARATION OF ACCOUNTS**

The financial statements are prepared under the historical cost convention and are in accordance with applicable Accounting Standards.

**TURNOVER**

Turnover is invoiced sales less returns exclusive of value added tax.

**LEASED ASSETS**

Where assets are financed by hire purchase agreements, the assets are treated as if they had been purchased. The present value of the minimum lease payments payable during the lease term is capitalised as a tangible asset and the corresponding leasing commitment is included as a liability. Rentals payable are apportioned between interest which is charged to the profit and loss account, and capital which reduces the outstanding commitment.

Operating lease rentals are written off as incurred.

**DEPRECIATION**

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost of each asset over its expected useful life, as follows:

Plant and equipment	- 30% of cost per annum
Motor vehicles	- 30% of cost per annum
Fixtures and fittings	- 30% of cost per annum

**STOCKS**

Stock and work in progress is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**RESEARCH AND DEVELOPMENT**

Research and development expenditure is written off as incurred.

**WARRANTY PROVISION**

Provision is made for claims which may arise under the warranty clause of the standard sales contract and are estimated to be incurred in the following year.

All costs and expenses arising are taken to the profit and loss account.

**ACCESS KEYBOARDS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 1995**

**1. ACCOUNTING POLICIES (Continued)**

**DEFERRED TAXATION**

Deferred taxation is provided on the liability method on all timing differences except where no liability is likely to arise in the future.

**FOREIGN CURRENCIES**

Assets and liabilities denominated in foreign currencies are translated at the rate 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 exchange differences are taken to the profit and loss account.

**PENSION COSTS**

Retirement benefits to employees' defined contribution schemes are funded by contributions from employees and the company. Payments are made to pension trusts which are financially separate from the company. The company's contributions charged to the profit and loss account are calculated on the basis of periodic valuations in accordance with established actuarial practice to fund the accruing liabilities on a continuing basis.

**CAPITAL INSTRUMENTS**

Shares are included in shareholders' funds. Other instruments are classified as liabilities if they contain an obligation to transfer economic benefits and if they are not included in shareholders' funds. The finance cost recognised in the profit and loss account in respect of capital instruments other than equity shares is allocated to periods over the term of the instrument at a constant rate on the carrying amount.

**2. TURNOVER**

The turnover and pre-tax profit are attributable to the principal activity of the company.

During the year the company exported 15% of its turnover (1994: 7%).

**ACCESS KEYBOARDS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 1995**

	<u>1995</u> £	<u>1994</u> £
<b>3. OPERATING PROFIT</b>		
This is stated after charging or (crediting):		
Directors' remuneration	78,289	78,832
Auditors' remuneration	6,250	5,000
Depreciation of tangible fixed assets:		
- owned by the company	16,608	20,714
- held under finance leases	10,331	5,698
Profit on disposal of fixed assets	(3,580)	(2,100)
Pension costs	21,046	13,058
Interest element of finance leases	1,488	396
Operating lease rentals	50,224	20,213
Equipment hire	4,556	925
	=====	=====
<b>4. INTEREST</b>		
Group loan interest receivable	-	17,047
Bank interest receivable	8,560	11,461
Other interest receivable	<u>376</u>	<u>-</u>
	8,936	28,508
Bank interest payable	(22,866)	(7,390)
Hire purchase interest	(1,488)	(396)
Other interest payable	<u>(98)</u>	<u>-</u>
	(15,516)	20,722
	=====	=====
<b>5. TAX ON PROFIT ON ORDINARY ACTIVITIES</b>		
Based on the results for the year:		
U.K. Corporation tax at 26% (1994: 25%)	42,368	22,628
	=====	=====
At 31st December, 1995 the company had no potential deferred tax liability.		
<b>6. DIVIDENDS</b>	<u>1995</u> £	<u>1994</u> £
Proposed dividend payable of £125 per share (1994: £Nil)	250,000	-
	=====	==



**ACCESS KEYBOARDS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 1995**

**7. TANGIBLE FIXED ASSETS**

	Plant and equipment £	Motor vehicles £	Fixtures and fittings £	Total £
Cost:				
At 1st January, 1995	42,965	78,347	900	122,212
Additions	9,917	15,440	-	25,357
Disposals	<u>(4,768)</u>	<u>(9,500)</u>	<u>-</u>	<u>(14,268)</u>
At 31st December, 1995	<u>48,114</u>	<u>84,287</u>	<u>900</u>	<u>133,301</u>
Depreciation:				
At 1st January, 1995	23,555	53,810	540	77,905
Provided during the year	11,156	15,513	270	26,939
Disposals	<u>(1,430)</u>	<u>(9,500)</u>	<u>-</u>	<u>(10,930)</u>
At 31st December, 1995	<u>33,281</u>	<u>59,823</u>	<u>810</u>	<u>93,914</u>
Net book value:				
At 31st December, 1995	14,833	24,464	90	39,387
	=====	=====	===	=====
Net book value:				
At 31st December, 1994	19,410	24,537	360	44,307
	=====	=====	===	=====

The net book value of tangible fixed assets includes £17,678 (1994: £13,297) in respect of assets held under hire purchase contracts.

**8. DEBTORS**

	<u>1995</u> £	<u>1994</u> £
Amount due from parent undertaking	650,761	621,225
Trade debtors	390,340	252,965
Prepayments and accrued income	<u>29,845</u>	<u>45,409</u>
	1,070,946	919,599
	=====	=====

Of the amount due from the parent undertaking £558,000 is repayable after more than one year.

**ACCESS KEYBOARDS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 1995**

	<u>1995</u> £	<u>1994</u> £
<b>9. CREDITORS:</b> amounts falling due within one year		
Bank loan (secured - see Note 10)	50,000	12,500
Obligations under finance leases and hire purchase contracts	10,892	5,774
Trade creditors	263,207	214,846
Current corporation tax	42,368	22,628
Other taxes and social security costs	50,533	44,059
Accruals	62,194	94,345
Proposed dividends	<u>250,000</u>	<u>-</u>
	729,194	394,152
	=====	=====

**10. CREDITORS:** amounts falling due after more than one year

Bank loan (secured - see Note below)	187,500	237,500
Obligations under finance leases and hire purchase contracts	<u>12,179</u>	<u>9,277</u>
	199,679	246,777
	=====	=====

The bank loan bears interest at a rate of 2.5% over base rate and is repayable by instalments and is secured by a fixed and floating charge over the company's assets.

Analysis of repayments:

	<u>1995</u> £	<u>1994</u> £
<b>Bank loan:</b>		
Between one and two years	50,000	50,000
Between two and five years	<u>137,500</u>	<u>187,500</u>
	187,500	237,500
<b>Finance leases and hire purchase contracts:</b>		
Between one and two years	7,859	7,257
Between two and five years	<u>4,320</u>	<u>2,020</u>
	12,179	9,277
	199,679	246,777
	=====	=====

**ACCESS KEYBOARDS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31ST DECEMBER, 1995**

	<u>1995</u> £	<u>1994</u> £
<b>11. PROVISIONS FOR LIABILITIES AND CHARGES</b>		
Warranty Repairs:		
At 1st January, 1995	121,090	70,810
Released during the year	(49,536)	-
Provided during the year	<u>27,033</u>	<u>50,280</u>
At 31st December, 1995	98,587	121,090
	=====	=====
<b>12. SHARE CAPITAL</b>		
Authorised		
100,000 ordinary shares of £1 each	100,000	100,000
	=====	=====
Allotted, issued and fully paid		
2,000 ordinary shares of £1 each	2,000	2,000
	=====	=====
<b>13. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS</b>		
(Loss)/profit retained for the year	(118,735)	114,738
Shareholders' funds at 1st January, 1995	<u>557,187</u>	<u>442,449</u>
Shareholders' funds at 31st December, 1995	438,452	557,187
	=====	=====
<b>14. CONTINGENT LIABILITIES</b>		
The company has guaranteed all monies owed to 3i Plc by its parent undertaking, amounting to £330,000 as at 31st December, 1995. These monies are secured by fixed and floating charges over all the assets of the company.		

ACCESS KEYBOARDS LIMITED  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST DECEMBER, 1995

**15. CAPITAL COMMITMENTS**

At the year end the company had capital commitments not provided for in these accounts as follows:-

	<u>1995</u> £	<u>1994</u> £
Authorised by the director but not contracted for	50,000	40,000
	=====	=====

**16. OTHER COMMITMENTS**

At 31st December, 1995 the company had the following annual commitments under non-cancellable operating leases expiring as follows:

	<u>Land and building</u> <u>1995</u> £	<u>1994</u> £
After more than five years	64,500	64,500
	=====	=====

**17. PARENT UNDERTAKING**

The company's parent undertaking is A.K. Capital Investments Limited, a company incorporated in England.