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ELAN COMPUTING LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST AUGUST 1990

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Baldry  
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ELAN COMPUTING LIMITED  
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FOR THE YEAR ENDED 31ST AUGUST 1990

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ELAN COMPUTING LIMITED  
DIRECTORS' REPORT  
FOR THE YEAR ENDED 31ST AUGUST 1990

Directors

S Anthony  
P Anthony  
A Derx  
J Haydock

Secretary

A Derx

Registered Office

Prudential Buildings, Epsom Road, Guildford, Surrey GU1 3JW.

The directors present their annual report, together with the audited financial statements of the company and consolidated financial statements of the group for the year ended 31st August 1990.

During the year Elan Computing Limited became a majority shareholder in Elan Computing (Scotland) Limited, a company incorporated in England.

RESULTS AND DIVIDENDS

The group results for the year ended 31st August 1990 are set out in the consolidated profit and loss account on page 4.  
A dividend of £1,050 per share was paid on the 17th August 1990.

REVIEW OF THE BUSINESS

The principal activity of the company and the group in the year under review was that of employment agents for the computer industry.  
The directors consider the results achieved on ordinary activities before taxation to be satisfactory.

In the opinion of the directors adequate finance is available to take advantage of business opportunities and future business developments. The directors consider the state of affairs to be satisfactory.

DIRECTORS AND THEIR INTERESTS

The following were the beneficial interests of the directors in the issued ordinary share capital of the company :-

	<u>31st August 1990</u>	<u>31st August 1989</u>
S Anthony	18,631	31
P Anthony	16,828	28
A Derx	18,631	31
J Haydock	6,010	10

There have been no changes in the Board of Directors during the period.

In accordance with the Articles of Association P Anthony retires by rotation and offers himself for re-election.

ELAN COMPUTING LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST AUGUST 1990

(Continued)

**FIXED ASSETS**

The movements in fixed assets during the year are set out in notes 8 to to the accounts.

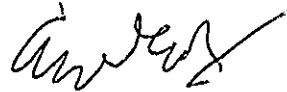
**SHARES**

On the 17th August 1990 the authorised share capital was increased to 100,000 ordinary £1 shares, and 60,000 ordinary shares were issued at par.

**AUDITORS**

In accordance with the provisions of Section 384 of the Companies Act 1985, Messrs. Allen Baldry have indicated their willingness to be re-appointed as auditors of the company.

By Order of the Board



22ND OCTOBER 1990

Secretary

Allen  
Baldry  
db

ELAN COMPUTING LIMITED  
REPORT OF THE AUDITORS' TO THE MEMBERS  
FOR THE YEAR ENDED 31ST AUGUST 1990

We have audited the financial statements set out on pages 4 to 16 in accordance with Auditing Standards.

In our opinion the financial statements give a true and fair view of the state of affairs of the company and the group at 31st August 1990 and of its result and the source and application of funds for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

22ND OCTOBER 1990

Prudential Buildings  
Guildford Surrey GU1 3JW

ALLEN BALDRY  
CHARTERED ACCOUNTANTS

Allen Baldry  
ab

ELAN COMPUTING LIMITED  
CONSOLIDATED PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31ST AUGUST 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
		£	£
TURNOVER	2	8,313,911	4,848,095
COST OF SALES		7,061,627	3,998,396
GROSS PROFIT		1,252,284	849,699
Distribution costs		182,800	109,016
Administrative expenses		673,398	432,330
		856,198	541,346
OPERATING PROFIT	3	396,086	308,353
Interest receivable		8	-
Interest payable	5	(7,878)	(7,689)
		(7,870)	(7,689)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		388,216	300,664
TAXATION	6	152,743	91,168
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		235,473	209,496
Minority interests		(3,649)	-
PROFIT ON ORDINARY ACTIVITIES ATTRIBUTABLE TO SHAREHOLDERS		239,122	209,496
Dividends	7	105,000	30,000
RETAINED PROFIT FOR THE YEAR (of which £161,489 (1989 - £179,496) was dealt with in the accounts of the Holding Company)		134,122	179,496
Retained profit brought forward (of which £213,974 (1989 - £34,478) was dealt with in the accounts of the Holding Company)		213,974	34,478
RETAINED PROFIT CARRIED FORWARD		£ 348,096	£ 213,974

The notes on pages 8 to 16 form part of these accounts.

ELAN COMPUTING LIMITED  
CONSOLIDATED BALANCE SHEET  
AS AT 31ST AUGUST 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	8	135,116	69,747
<b>CURRENT ASSETS</b>			
Stocks	10	531,042	319,350
Debtors	11	669,803	337,588
Cash at bank and in hand		1,780	-
		<u>1,202,625</u>	<u>656,938</u>
CREDITORS - amounts falling due within one year	12	(930,676)	(501,027)
<b>NET CURRENT ASSETS</b>		<u>271,949</u>	<u>155,911</u>
<b>ASSETS LESS CURRENT LIABILITIES</b>		<u>407,065</u>	<u>225,658</u>
CREDITORS - amounts falling due after more than one year	13	(518)	(11,584)
<b>NET ASSETS</b>		<u><u>£406,547</u></u>	<u><u>£214,074</u></u>
<b>Financed by:</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	16	60,100	100
Profit and loss account		348,096	213,974
Minority interests		(1,649)	-
		<u><u>£406,547</u></u>	<u><u>£214,074</u></u>

Approved by the Directors on 22ND OCTOBER 1990 and signed on behalf of the Board by:

*S. Anthony*  
S. ANTHONY

} Directors

*A. Dery*  
A. DERY

The notes on pages 8 to 16 form part of these accounts.

ELAN COMPUTING LIMITED

BALANCE SHEET

AS AT 31ST AUGUST 1990

	<u>Notes</u>	<u>1990</u>	<u>1989</u>
		£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	111,150	69,747
Investments		75	-
		<u>111,225</u>	<u>69,747</u>
<b>CURRENT ASSETS</b>			
Stocks	10	531,042	319,350
Debtors	11	718,908	337,588
		<u>1,249,950</u>	<u>656,938</u>
CREDITORS - amounts falling due within one year	12	(925,094)	(501,027)
<b>NET CURRENT ASSETS</b>		<u>324,856</u>	<u>155,911</u>
<b>ASSETS LESS CURRENT LIABILITIES</b>		436,081	225,658
CREDITORS - amounts falling due after more than one year	13	(518)	(11,584)
<b>NET ASSETS</b>		<u><u>£435,563</u></u>	<u><u>£214,074</u></u>

Financed by:

**CAPITAL AND RESERVES**

Called up share capital	16	60,100	100
Profit and loss account		375,463	213,974
		<u>£435,563</u>	<u>£214,074</u>

Approved by the Directors on 22ND OCTOBER 1990 and signed on behalf of the Board by:

✓ S. Anthony  
S. ANTHONY

} Directors

✓ M. Fox  
M. FOX

The notes on pages 8 to 16 form part of these accounts.

ELAN COMPUTING LIMITED  
CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS  
FOR THE YEAR ENDED 31ST AUGUST 1990

SOURCE OF FUNDS	1990	1989
	£	£
Funds generated from operations:		
Profit on ordinary activities before taxation	388,216	300,664
Adjustment for items not involving the movement of funds:		
Depreciation	41,973	20,077
Adjustment on disposal of fixed assets	8,419	1,564
Total generated from operations	438,608	322,305
Funds from other sources:		
Sale of fixed assets	8,414	2,159
Increase in share capital	60,000	-
Sale of shares to minority	2,000	-
Increase in other loans	43,500	-
	113,914	2,159
	552,522	324,464
APPLICATION OF FUNDS		
Purchase of fixed assets	124,175	44,505
Repayment of other loans	-	-
Repayment of hire purchase loans	11,683	11,166
Taxation paid	101,556	15,862
Dividends paid	105,000	30,000
	(342,414)	(101,533)
	£210,108	£ 222,931
MOVEMENT IN FUNDS		
INCREASE/(DECREASE) IN WORKING CAPITAL		
Stocks	211,692	210,227
Debtors	332,215	239,922
Creditors	(188,846)	(159,167)
Cash at bank and in hand	1,780	-
Bank overdraft	(146,733)	(68,051)
	£210,108	£ 222,931

ELAN COMPUTING LIMITED

NOTES TO THE ACCOUNTS

31ST AUGUST 1990

1. ACCOUNTING POLICIES

1.1 Accounting conventions

The financial statements are prepared under the historical cost convention.

1.2 Turnover

This represents the invoiced amounts of services provided, net of value added tax.

1.3 Depreciation of tangible assets

Provision is made for depreciation on all tangible assets, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life, as follows:

Leasehold building:	- evenly over the period of the lease
Fixtures and fittings:	10% per annum on cost
Computer equipment :	25% per annum on cost
Motor vehicles:	25% per annum on written down value

1.4 Work in Progress

Work in progress is valued at the lower of cost and net realisable value.

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

1.5 Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

1.6 Consolidation

The consolidated accounts incorporate the accounts of the company and of each of its subsidiaries. The results of subsidiaries acquired or disposed of during the year are included in the profit and loss account from or up to the effective date of acquisition or disposal of the controlling interest in the subsidiary.

1.7 Group accounts

The company has taken advantage of S228 of the Companies Act 1985 and does not present its own profit and loss account.

1.8 Hire purchase and finance lease contracts

Assets acquired under hire purchase and finance lease contracts are capitalised at their fair value and the equivalent liability shown in creditors. Finance charges are allocated to accounting periods over the period of the contract to produce a constant rate of charge on the outstanding balance. Repayments are allocated between finance charges and a reduction of the liability.

ELAN COMPUTING LIMITED

NOTES TO THE ACCOUNTS - continued

31ST AUGUST 1990

2. TURNOVER

The turnover and profit before taxation are attributable to the one main activity of the company and the group.  
All of the turnover arose from operation in the United Kingdom.

3. OPERATING PROFIT	<u>1990</u>	<u>1989</u>
	£	£
This is stated after charging (crediting):		
Staff costs (see note 4)	575,835	437,514
Auditors' remuneration	4,000	2,000
Depreciation	41,973	20,077
Loss on disposal of fixed assets	8,419	1,564
Hire of equipment	3,583	-

ELAN COMPUTING LIMITED

NOTES TO THE ACCOUNTS - continued

31ST AUGUST 1990

4. EMPLOYEE INFORMATION

4.1 Staff costs:

	<u>1990</u>	<u>1989</u>
	£	£
Wages and salaries	480,990	287,736
Social security costs	47,586	28,681
Other pension costs	47,259	121,097
	<u>£575,835</u>	<u>£437,514</u>

4.2 The average weekly number of employees during the year was made up as follows:

	No.	No.
Office and management	6	4
Manufacturing	13	12
	<u>19</u>	<u>16</u>

4.3 Directors' emoluments:

The directors' emoluments, the remuneration of which is included above amounted to:

	<u>1990</u>	<u>1989</u>
	£	£
Fees and salaries	233,287	142,983
Benefits in kind	7,788	4,763
	<u>£241,075</u>	<u>£147,746</u>

Further details, excluding pension contributions:

Chairman	<u>£ 87,393</u>	<u>£ 53,591</u>
Highest paid director	<u>£ 87,393</u>	<u>£ 58,986</u>

Other directors' emoluments fell within the following ranges:

	No.	No.
£Nil - £5,000	-	1
£25,001 - £30,000	1	1
£45,001 - £50,000	1	-
£75,001 - £80,000	1	-

ELAN COMPUTING LIMITED

NOTES TO THE ACCOUNTS - continued

31ST AUGUST 1990

5.	INTEREST PAYABLE	<u>1990</u>	<u>1989</u>
		£	£
	On bank loans, overdrafts and other loans		
	-repayable within 5 years, not by instalments	5,222	5,147
	Hire purchase charges	2,656	2,542
		<u>£7,878</u>	<u>£ 7,689</u>
6..	TAXATION		
6.1	The group tax charge on the Profit on ordinary activities for the year was as follows:	<u>1990</u>	<u>1989</u>
		£	£
	U.K corporation tax at 34% (1989 -32.6%)	142,356	91,168
		<u>142,356</u>	<u>91,168</u>
	Adjustment in respect of previous years:		
	Corporation tax	10,387	-
		<u>£152,743</u>	<u>£91,168</u>
7.	DIVIDENDS	<u>1990</u>	<u>1989</u>
		£	£
	Interim dividend paid:		
	£1,050 per share (1989 £300 per share)	105,000	30,000
		<u>£105,000</u>	<u>£30,000</u>

ELAN COMPUTING LIMITED

NOTES TO THE ACCOUNTS - continued

31ST AUGUST 1990

8. TANGIBLE FIXED ASSETS-GROUP

	<u>Land and buildings</u>	<u>Fixtures and fittings</u>	<u>Plant and equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£	£
Cost:					
At 1st September 1989	-	12,153	37,105	55,387	104,645
Additions	4,963	21,276	56,643	41,293	124,175
Disposals	-	(5,341)	(5,901)	(9,545)	(20,787)
At 31st August 1990	<u>£ 4,963</u>	<u>£28,088</u>	<u>£87,847</u>	<u>£87,135</u>	<u>£208,033</u>
Depreciation:					
At 1st September 1989	-	1,358	12,490	21,050	34,898
Charge for year	2,978	2,472	21,311	15,212	41,973
Disposals	-	(571)	(2,389)	(994)	(3,954)
At 31st August 1990	<u>£ 2,978</u>	<u>£ 3,259</u>	<u>£31,412</u>	<u>£35,268</u>	<u>£ 72,917</u>
Net book value:					
At 31st August 1990	<u>£ 1,985</u>	<u>£24,829</u>	<u>£56,435</u>	<u>£51,867</u>	<u>£135,116</u>
At 31st August 1989	<u>£ -</u>	<u>£10,795</u>	<u>£24,615</u>	<u>£34,337</u>	<u>£ 69,747</u>

The net book values of land and buildings comprise:

	<u>1990</u>	<u>1989</u>
	£	£

Short leasehold	<u>1,985</u>	<u>-</u>
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Included above are the following assets held under hire purchase contracts:

Cost:		
At 31st August 1990	<u>£45,842</u>	<u>£ 45,842</u>
Accumulated depreciation:		
At 31st August 1990	<u>£26,504</u>	<u>£ 26,504</u>
Depreciation charged in the year	<u>£ 6,448</u>	<u>£ 6,448</u>
Net book value:		
At 31st August 1990	<u>£19,338</u>	<u>£ 19,338</u>

ELAN COMPUTING LIMITEDNOTES TO THE ACCOUNTS - continued31ST AUGUST 1990

## 9. TANGIBLE FIXED ASSETS-COMPANY

	<u>Fixtures and fittings</u>	<u>Computer equipment</u>	<u>Motor vehicles</u>	<u>Total</u>
	£	£	£	£
Cost:				
At 1st September 1989	12,153	37,105	55,387	104,645
Additions	14,501	51,362	28,809	94,672
Disposals	(5,341)	(5,901)	(9,545)	(20,787)
	<u>£21,313</u>	<u>£82,566</u>	<u>£74,651</u>	<u>£178,530</u>
At 31st August 1990				
Depreciation:				
At 1st September 1989	1,358	12,490	21,050	34,898
Charge for year	2,134	20,651	13,651	36,436
Disposals	(571)	(2,389)	(994)	(3,954)
	<u>£ 2,921</u>	<u>£30,752</u>	<u>£33,707</u>	<u>£ 67,380</u>
At 31st August 1990				
Net book value:				
At 31st August 1990	<u>£18,392</u>	<u>£51,814</u>	<u>£40,944</u>	<u>£111,150</u>
At 31st August 1989	<u>£10,795</u>	<u>£24,615</u>	<u>£34,337</u>	<u>£ 69,747</u>

Included above are the following assets held under hire purchase contracts:

Cost:		
At 31st August 1990	<u>£45,842</u>	<u>£ 45,842</u>
Accumulated depreciation:		
At 31st August 1990	<u>£26,504</u>	<u>£ 26,504</u>
in the year	<u>£ 6,448</u>	<u>£ 6,448</u>
Net book value:		
At 31st August 1990	<u>£19,338</u>	<u>£ 19,338</u>

ELAN COMPUTING LIMITED

NOTES TO THE ACCOUNTS - continued

31ST AUGUST 1990

10. STOCKS

	<u>Group</u>		<u>Company</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
	£	£	£	£
Work in progress	<u>531,042</u>	<u>319,350</u>	<u>531,042</u>	<u>319,350</u>

11. DEBTORS

	<u>Group</u>		<u>Company</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
	£	£	£	£
Trade debtors	656,765	329,871	656,765	329,871
Amounts owed by group companies	-	-	53,081	-
Other debtors	923	2,727	923	2,727
Prepayments	<u>12,115</u>	<u>4,990</u>	<u>8,139</u>	<u>4,990</u>
	<u>£669,803</u>	<u>£337,588</u>	<u>£718,908</u>	<u>£337,588</u>

12. CREDITORS - AMOUNTS FALLING DUE  
WITHIN ONE YEAR

	<u>Group</u>		<u>Company</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
	£	£	£	£
Bank loans and overdraft	232,970	86,237	232,970	86,237
Other loans	43,500	-	43,500	-
Obligations under hire purchase and finance lease contracts	11,066	11,683	11,066	11,683
Trade creditors	348,205	205,643	348,205	205,643
Corporation tax	107,356	81,169	107,356	81,169
Other taxes and social security costs	61,807	61,081	61,807	61,081
Directors' current accounts	4,394	1,394	1,394	1,394
Accruals	86,378	43,820	83,796	43,820
Related advance corporation tax	<u>35,000</u>	<u>10,000</u>	<u>35,000</u>	<u>10,000</u>
	<u>£930,676</u>	<u>£501,027</u>	<u>£925,094</u>	<u>£501,027</u>

Obligations under hire purchase and finance leases - see note 14.

The bank overdraft is secured by a fixed charge over the book debts of the company and a floating charge over the other assets of the company.

ELAN COMPUTING LIMITED

NOTES TO THE ACCOUNTS - continued

31ST AUGUST 1990

13. CREDITORS - AMOUNTS FALLING DUE  
AFTER MORE THAN ONE YEAR

	<u>Group</u>		<u>Company</u>	
	<u>1990</u>	<u>1989</u>	<u>1990</u>	<u>1989</u>
	£	£	£	£
Obligations under hire purchase and finance lease contracts	518	11,584	518	11,584
	<u>£518</u>	<u>£11,584</u>	<u>£518</u>	<u>£11,584</u>

Obligations under hire purchase and finance leases - see note 14.

14. OBLIGATIONS UNDER HIRE PURCHASE

The future obligations under hire purchase and finance lease contracts to which the group and the company are committed as at 31st August 1990 are as follows:

	<u>Group</u>	<u>Company</u>
	£	£
In the year ending:		
31st August 1991	13,588	13,588
31st August 1992	537	637
	<u>14,225</u>	<u>14,225</u>
Less: Finance charges allocated to future periods	(2,641)	(2,641)
	<u>£11,584</u>	<u>£11,584</u>

15. DEFERRED TAXATION

No provision for deferred taxation has been made for the group or the company as the total potential liability is nil.

ELAN COMPUTING LIMITED

NOTES TO THE ACCOUNTS - continued

31ST AUGUST 1990

16. SHARE CAPITAL

	<u>Authorised</u>	<u>Allotted, Issued and fully paid</u>	
		<u>1990</u>	<u>1989</u>
	£	£	£
60,100 Ordinary shares of £1 each	<u>£100,000</u>	<u>£60,100</u>	<u>£100</u>

On 17th August 1990 60,000 £1 ordinary shares were issued at par.