

2617729

# LanBase plc

## Report and Accounts

Year ended 31 December 1995



# LanBase plc

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Registered No. 2617729

## **DIRECTORS**

K Berry

G Chapple

## **SECRETARY**

K Berry

## **AUDITORS**

Ernst & Young

Old Town Court

10-14 High Street

Swindon

Wiltshire

SN1 3EP

## **BANKERS**

National Westminster Bank

30 Market Place

Newbury

Berkshire

RG14 5AJ

## **SOLICITORS**

S C Bourge

Pembroke House

7 Brunswick Square

Bristol

Avon

BS2 8PE

## **REGISTERED OFFICE**

Unit 6 Pipers Court

Berkshire Drive

Thatcham

Newbury

Berkshire

RG19 4ER

## DIRECTORS' REPORT

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The directors present their report and accounts for the year ended 31 December 1995.

### RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £405,418 (1994 - £302,096). The directors do not propose the payment of a dividend.

### PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company's principal activity during the period continued to be the supply and installation of data networking products for value added Local Area Networks and Wide Area Networks.

### FIXED ASSETS

Movements in fixed assets for the period are summarised in note 8 to the accounts.

### DIRECTORS AND THEIR INTERESTS

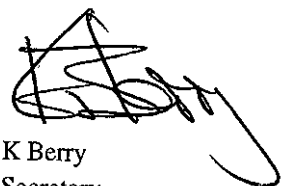
The directors at 31 December 1995 and their interests in the share capital of the company were as follows:

|              | <i>At 31 December 1995</i> | <i>At 31 December 1994</i> |
|--------------|----------------------------|----------------------------|
|              | <i>Ordinary shares</i>     | <i>Ordinary shares</i>     |
| Mr K Berry   | -                          | -                          |
| Mr G Chapple | -                          | -                          |

### AUDITORS

A resolution to re-appoint Ernst & Young as auditors will be put to the members at the Annual General Meeting.

By order of the board



K Berry  
Secretary

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STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE  
ACCOUNTS

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts 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.

**REPORT OF THE AUDITORS**  
**to the members of LanBase plc**

We have audited the accounts on pages 6 to 16, which have been prepared under the historical cost convention and on the basis of the accounting policies set out on page 9.

**Respective responsibilities of directors and auditors**

As described on page 4 the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

**Opinion**

In our opinion the accounts give a true and fair view of the state of affairs of the company as at 31 December 1995 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

*Ernst & Young*

Ernst & Young  
Chartered Accountants  
Registered Auditor  
Swindon

*10 May 1996*

# LanBase plc

## PROFIT AND LOSS ACCOUNT

for the year ended 31 December 1995

|  | Notes | 1995<br>£ | 1994<br>£ |
|--|-------|-----------|-----------|
| <b>TURNOVER</b>                                      | 2     | 9,970,368 | 6,227,841 |
| Cost of sales  |       | 6,386,253 | 3,626,805 |
| Gross profit   |       | 3,584,115 | 2,601,036 |
| Distribution costs                                   |       | 151,348   | 91,154    |
| Administrative expenses                              |       | 2,662,462 | 1,999,937 |
| <b>OPERATING PROFIT</b>                              | 3     | 770,305   | 509,945   |
| Interest payable and similar expense                 | 6     | 140,687   | 99,519    |
| Interest receivable                                  |       | (727)     | (1,061)   |
| <b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b> |       | 630,345   | 411,487   |
| Tax on profit on ordinary activities                 | 7     | 224,927   | 109,391   |
| <b>PROFIT RETAINED FOR THE FINANCIAL YEAR</b>        | 16    | 405,418   | 302,096   |

There are no recognised gains or losses other than the profit attributable to shareholders of the company of £405,418 for the year ended 31 December 1995 and the profit of £302,096 for the period ended 31 December 1994.

# LanBase plc

## BALANCE SHEET

at 31 December 1995

|  | Notes | 1995<br>£        | 1994<br>£        |
|--|-------|------------------|------------------|
| <b>FIXED ASSETS</b>  |       |                  |                  |
| Tangible assets  | 8     | 178,244          | 77,765           |
| <b>CURRENT ASSETS</b>  |       |                  |                  |
| Stocks   | 9     | 843,161          | 334,817          |
| Debtors  | 10    | 2,839,599        | 1,635,554        |
| Cash at bank and in hand                                       | 18    | -                | 63,252           |
|  |       | <u>3,682,760</u> | <u>2,033,623</u> |
| <b>CREDITORS: amounts falling due within one year</b>          | 11    | 3,337,212        | 1,713,882        |
| <b>NET CURRENT ASSETS</b>                                      |       | <u>345,548</u>   | <u>319,741</u>   |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>                   |       | <u>523,792</u>   | <u>397,506</u>   |
| <b>CREDITORS: amounts falling due after more than one year</b> |       |                  |                  |
| Loan from parent company                                       | 13    | -                | 323,386          |
| Finance lease obligations                                      | 12    | 44,254           | -                |
|  |       | <u>44,254</u>    | <u>323,386</u>   |
|  |       | <u>479,538</u>   | <u>74,120</u>    |
| <b>CAPITAL AND RESERVES</b>                                    |       |                  |                  |
| Called up share capital  | 15    | 25,100           | 25,100           |
| Profit and loss account  | 16    | 454,438          | 49,020           |
|  |       | <u>479,538</u>   | <u>74,120</u>    |

K Berry  
Director

8<sup>th</sup> May 1996.

## STATEMENT OF CASH FLOWS

for the year ended 31 December 1995

|   | Notes | 1995<br>£ | 1994<br>£ |
|---|-------|-----------|-----------|
| NET CASH INFLOW/(OUTFLOW) FROM OPERATING ACTIVITIES                   | 3(b)  | 167,376   | 311,351   |
| RETURNS ON INVESTMENTS AND SERVICING OF FINANCE                       |       |           |           |
| Interest paid and factoring charges paid                              |       | (140,687) | (99,519)  |
| Interest element of finance lease rental payments                     |       | -         | -         |
| Interest received   |       | 727       | 1,061     |
| NET CASH OUTFLOW FROM RETURNS ON INVESTMENTS AND SERVICING OF FINANCE |       | (139,960) | (98,458)  |
| TAXATION  |       |           |           |
| UK corporation tax paid   |       | (108,478) | (657)     |
| INVESTING ACTIVITIES  |       |           |           |
| Payments to acquire tangible fixed assets                             |       | (68,874)  | (33,533)  |
| Receipts from sale of tangible fixed assets                           |       | 3,500     | -         |
| NET CASH OUTFLOW FROM INVESTING ACTIVITIES                            |       | (65,374)  | (33,533)  |
| NET CASH INFLOW/(OUTFLOW) BEFORE FINANCING                            |       | (146,436) | 178,703   |
| FINANCING   |       |           |           |
| Finance leases  |       | (41,097)  | -         |
| Repayments of capital element of finance lease rentals                | 12    | 18,273    | -         |
| Repayment of Directors' and Employees' loan accounts                  |       | -         | -         |
| Receipt of loan from parent undertaking                               |       | -         | -         |
| NET CASH (INFLOW) FROM FINANCING                                      |       | (22,824)  | -         |
| INCREASE IN CASH AND CASH EQUIVALENTS                                 | 18    | (123,612) | 178,703   |
|   |       | (146,436) | 178,703   |



## NOTES TO THE ACCOUNTS

at 31 December 1995

### 1. ACCOUNTING POLICIES

#### *Accounting convention*

The accounts are prepared under the historical cost convention and in accordance with applicable accounting standards.

#### *Depreciation*

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset evenly over its expected useful life, as follows:

|                       |   |              |
|-----------------------|---|--------------|
| Plant and machinery   | - | over 4 years |
| Fixtures and fittings | - | over 5 years |

#### *Stocks*

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

#### *Work in progress*

Work in progress incorporates any material and sub-contract costs incurred on site for installations that are in progress. No overheads are incorporated within work in progress.

#### *Foreign currencies*

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

#### *Deferred taxation*

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is anticipated the timing differences will reverse.

#### *Leasing and hire purchase commitments*

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the company, and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The capital elements of future obligations under the leases and hire purchase contracts are included as liabilities in the balance sheet.

The interest elements of the rental obligations are charged in the profit and loss account over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.