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**ANNUAL REPORT  
AND  
FINANCIAL STATEMENTS  
BUSINESS COMPUTER SYSTEMS PLC  
31 DECEMBER 1982**



# BUSINESS COMPUTER SYSTEMS PLC

## NOTICE OF MEETING

Notice is hereby given that the seventeenth annual general meeting of Business Computer Systems PLC will be held at Winchester House, 100 Old Broad Street, London EC2 on Thursday 19 May 1983 at 2.30 p.m. to consider, and if thought fit, to pass the resolutions set out below:

- 1 That the report of the directors and the financial statements for the year ended 31 December 1982 be and are hereby adopted.
- 2 That a final dividend of 1p per ordinary share be paid on 1 July 1983 to shareholders on the register on 27 May 1983.
- 3 That GD Royle who retires by rotation, be re-elected as a director.
- 4 That Price Waterhouse be re-appointed as auditors and that the directors be authorised to fix their remuneration.

By Order of the Board

AG CUNNINGHAM

Secretary

The Pagoda  
53 Theobald Street  
Borehamwood  
Hertfordshire  
WD6 4RT

25 April 1983

The following documents will be available for inspection at the Annual General Meeting and at the registered office during the period of this notice:

- 1 A statement of all transactions of each director, and of their family interests, in the ordinary shares of the company.
- 2 Copies of all contracts of service whereunder directors of the company are employed by the company at the date of this notice.

A member entitled to attend and vote is entitled to appoint one or more proxies to attend and, on a poll, to vote instead of him. A proxy need not be a member.

# BUSINESS COMPUTER SYSTEMS PLC

Directors	GODFREY JOHN CHANDLER Non-executive Chairman
	MICHAEL PATRICK MUNNELLY Managing Director
	ERIC THOMAS GILLILAND Sales and Marketing Director
	MARTIN GERALD ALCOCK, MBCS Systems Director
	ANTHONY GERALD CUNNINGHAM, FCA, MBIM Finance Director
	GEORGE DEREK ROYLE, C Eng, MIEE Non-executive Director
Secretary	ANTHONY GERALD CUNNINGHAM, FCA, MBIM
Registered Office	The Pagoda 53 Theobald Street Borehamwood Hertfordshire WD6 4RT
Registrars and Transfer Office	BARCLAYS BANK PLC Registration Department Radbroke Hall Knutsford Cheshire WA16 9EU
Bankers	BARCLAYS BANK PLC
Stockbrokers	CAZENOVE & CO
Auditors	PRICE WATERHOUSE
Solicitors	CLIFFORD TURNER & CO

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## CHAIRMAN'S STATEMENT

It is a great pleasure to record and give thanks for all the efforts of those working in the company, which resulted, this year, in a turnover increase of just over 20% and a profits increase of just under 20%.

In my statement last year I referred to the development costs we were incurring in the maintenance division, so that we could offer the best possible service to customers who purchase machines and systems from us. Although these costs continued in 1982, they have tailed off in the second half as this part of our business has grown. The development of our computer maintenance operation in 1982 continued according to plan and to help foster this growth we formed it into a separate wholly owned subsidiary company trading as Business Computer Services Limited. Other support services to our customers including software and supplies also expanded in the year and in total, together with maintenance, now account for 20% of turnover.

During the year we have continued to examine a number of new systems. We launched a new Molecular 18 mini-computer designed to increase speed and capability to run more peripheral units, and still to be compatible with our successful distribution systems and livestock markets packages. This product helped us to double the Molecular sales in the second half of the year. We plan further Molecular 18 product releases in 1983.

Sales of our micro computer systems through our own sales force and our dealers have been satisfactory in 1982. In view of the introduction, however, of our exclusive new multi-tasking personal computer from Xerox, we are currently enlarging our dealer network to cope with planned volume increases in this part of our business.

During December we opened negotiations to employ direct the management and staff of our well run Scottish dealer company. With these discussions satisfactorily completed we were pleased to open a new Edinburgh office with effect from January 1983. This move will enable us to increase our sales volumes and offer a better level of service and support to both new and existing customers on both sides of the border.

In recent months a number of additions have been made to the sales force and the Board is satisfied that we have a strong, effective and enthusiastic sales and support team.

Just before the end of the financial year we were most fortunate in securing the executive services of our new finance director, Mr. A. G. Cunningham, who is now fully employed in the business with which he has for long been associated in a non-executive capacity. In view of his experience in the computer industry, and the need for us to have first class experience available as the company grows, the Board regards his appointment as significant. It will enable the other executive directors to concentrate on sales and systems. The Board also regard it as important that in accordance with assurances made at the time of his engagement, Mr. Cunningham should be provided with the opportunity to increase his shareholding. Also there are a small number of key executives who are not members of the Board for whom a share incentive would be appropriate. The Directors therefore intend to put proposals before shareholders for approval at an Extraordinary General Meeting to be held following the Annual General Meeting and the required circulars, information and Notices are being despatched with the Annual Report and Accounts.

Finally, I think it fair to say that the Board look forward to the current year with excitement and a great degree of confidence arising partly from the way in which we have been able to absorb the development expenses of the past two years and also with the prospects in view for the new machines and developments which we hope to handle.

GJ CHANDLER  
Chairman

# **BUSINESS COMPUTER SYSTEMS PLC**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1982**

### **DIRECTORS**

GJ Chandler - Chairman  
MP Munnelly  
ET Gilliland  
MG Alcock  
AG Cunningham  
GD Royle

The directors have pleasure in presenting their report and the audited financial statements of the group for the year ended 31 December 1982.

### **PRINCIPAL ACTIVITY**

The principal activity of the group continues to be the marketing of computer systems and software. During the year a wholly owned subsidiary, Business Computer Services Limited, commenced to trade, its principal activity being the maintenance of computer systems and other related engineering work.

### **TRADING RESULTS AND DIVIDEND**

The results for the year and the financial position of the group are shown in the annexed financial statements. The directors recommend the payment of a dividend of 1p per ordinary share (1981 - 1p). The executive directors have agreed to waive their right to receive dividends totalling £23,000.

### **FIXED ASSETS**

Movements in fixed assets are shown in note 7 to the financial statements.

### **DIRECTORS**

The directors, as shown above, acted throughout the year. GD Royle retires by rotation at the forthcoming annual general meeting and, being eligible, offers himself for re-election.

# BUSINESS COMPUTER SYSTEMS PLC

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 1982 (continued)

### INTEREST IN SHARES

The interests of the directors, including those of their families, in the shares of the company were as follows:

	<u>31 December 1982</u>		<u>31 December 1981</u>
GJ Chandler	6,000		6,000
MP Munnelly	880,000 (15.1%)		880,000 (15.1%)
ET Gilliland	720,000 (12.3%)		720,000 (12.3%)
MG Alcock	600,000 (10.2%)		600,000 (10.2%)
AG Cunningham	101,680		105,680
GD Royle	10		10

In the period from 31 December 1982 to 28 March 1983, MP Munnelly transferred 52,503 shares and 43,754 shares (total 96,257 shares) to ET Gilliland and MG Alcock respectively; there were no other changes in directors' interests, including family interests, in the shares of the company during the above period.

None of the directors during 1982 had any beneficial interest in any contract of significance to which the company was a party.

Apart from the directors' shareholdings as shown above, and the company having been informed that International Aeradio Limited and a subsidiary held 799,990 ordinary shares (13.6%) of the company as at 28 March 1983, the directors are not aware of any other shareholdings which will amount to 5 per cent or more of the issued share capital of the company.

### EMPLOYEES

The average number of persons, excluding directors, employed by the company was 147 and their aggregate remuneration was £1,618,000.

### EMPLOYMENT OF DISABLED PERSONS

It is the group's policy to give full and fair consideration to applications for employment made by disabled persons and wherever possible to provide appropriate employment for any employees who become disabled. It is also the group's intention to give disabled employees the opportunity for training, career development and promotion consistent with their capabilities.

### AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to be re-appointed and a resolution concerning their appointment will be proposed at the annual general meeting.

By Order of the Board

AG CUNNINGHAM  
Secretary

28 March 1983

# BUSINESS COMPUTER SYSTEMS PLC

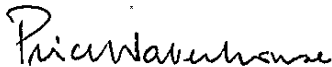
## AUDITORS' REPORT TO THE MEMBERS OF BUSINESS COMPUTER SYSTEMS PLC

We have audited the financial statements on pages 7 to 20 in accordance with approved Auditing Standards.

In our opinion:

the financial statements on pages 7 to 16 which have been prepared under the historical cost convention give, under that convention, a true and fair view of the state of affairs of the company and of the group at 31 December 1982 and of the profit and source and application of funds of the group for the year then ended and comply with the Companies Acts 1948 to 1981

and the supplementary current cost statements on pages 17 to 20 have been properly prepared in accordance with the policies and methods described in the notes, to give the information required by Statement of Standard Accounting Practice No. 16.



PRICE WATERHOUSE

Chartered Accountants

Nottingham

28 March 1983

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## ACCOUNTING POLICIES

### Basis of Consolidation

The financial statements of the parent company and its subsidiaries are included in the group financial statements and are prepared under the historical cost convention.

### Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated on a straight line basis at rates estimated to write off the cost of the relevant assets over their anticipated useful lives. The principal annual rates used are as follows:

Computer equipment	25%
Other plant and equipment	25%
Motor vehicles	25%
Furniture and fittings	15%

### Stocks

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

### Development expenditure

Development expenditure is written off as incurred.

### Foreign currency transactions

Revenue and costs in foreign currencies are stated at the rate ruling at the transaction date. Assets and liabilities in foreign currencies are expressed in sterling at the rates ruling at the balance sheet date.

### Deferred taxation

Provision is made for corporation tax deferred by timing differences only where there is a reasonable probability of such differences reversing and an actual corporation tax liability arising in the foreseeable future.



## BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

### GROUP PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1982

	Note	1982 £000	1981 £000
TURNOVER	1	<u>7,501</u>	<u>6,239</u>
PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM	2	510	427
Taxation	5	<u>150</u>	<u>38</u>
PROFIT AFTER TAXATION AND BEFORE EXTRAORDINARY ITEM		360	389
Extraordinary item - share issue and placing costs		<u>-</u>	<u>76</u>
PROFIT AFTER TAXATION AND EXTRAORDINARY ITEM		360	313
Proposed final dividend - 1p per ordinary share		59	59
Less: Dividends waived		<u>23</u>	<u>22</u>
		<u>36</u>	<u>37</u>
PROFIT FOR THE YEAR RETAINED	11		
Company		312	276
Subsidiaries		<u>12</u>	<u>-</u>
		<u>324</u>	<u>276</u>
EARNINGS PER SHARE	6	6.1p	6.6p

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## GROUP BALANCE SHEET - 31 DECEMBER 1982

	Note	1982 £000	1981 £000
FIXED ASSETS	7	535	277
CURRENT ASSETS			
Stocks	9	1,271	1,215
Debtors		3,285	1,621
Bank and cash		<u>186</u>	<u>221</u>
		<u>4,742</u>	<u>3,057</u>
CURRENT LIABILITIES			
Creditors		3,211	2,002
Deferred revenue		359	122
Customers' deposits		70	46
Taxation		168	38
Proposed dividend		<u>36</u>	<u>37</u>
		<u>3,844</u>	<u>2,245</u>
NET CURRENT ASSETS		<u>898</u>	<u>812</u>
		<u>1,433</u>	<u>1,089</u>
Represented by:			
SHARE CAPITAL	10	587	587
RETAINED EARNINGS	11	<u>826</u>	<u>502</u>
		1,413	1,089
DEFERRED TAXATION	5	<u>20</u>	<u>--</u>
		<u>1,433</u>	<u>1,089</u>

Approved by the Board on 28 March 1983

GJ CHANDLER  
MP MUNNELLY } Directors

*GJ Chandler*  
*MP Munnelly*

# BUSINESS COMPUTER SYSTEMS PLC

COMPANY BALANCE SHEET - 31 DECEMBER 1982

	Note	1982 £000	1981 £000
FIXED ASSETS	7	292	277
INVESTMENT IN SUBSIDIARIES	8	247	-
CURRENT ASSETS			
Stocks	9	1,220	1,215
Debtors		3,285	1,621
Bank and cash		<u>186</u>	<u>221</u>
		<u>4,691</u>	<u>3,057</u>
CURRENT LIABILITIES			
Creditors		3,211	2,002
Deferred revenue		359	122
Customers' deposits		70	46
Taxation		168	38
Proposed dividend		<u>36</u>	<u>37</u>
		<u>3,844</u>	<u>2,245</u>
NET CURRENT ASSETS		<u>847</u>	<u>812</u>
		<u>1,386</u>	<u>1,089</u>
Represented by:			
SHARE CAPITAL	10	587	587
RETAINED EARNINGS	11	<u>814</u>	<u>502</u>
		1,401	1,089
DEFERRED TAX ASSET	5	<u>(15)</u>	<u>-</u>
		<u>1,386</u>	<u>1,089</u>

Approved by the Board on 28 March 1983

GJ CHANDLER  
MP MUNNELLY

Directors

*GJ Chandler*  
*MP Munnelly*

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## GROUP STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31 DECEMBER 1982

	1982 £000	1981 £000
<b>SOURCE OF FUNDS</b>		
Group profit before taxation and extraordinary item	510	427
Share issue and placing costs	—	(76)
Depreciation	108	88
(Profit)/loss on disposal of fixed assets	<u>(2)</u>	<u>12</u>
<b>FUNDS GENERATED FROM OPERATIONS</b>	<b>616</b>	<b>451</b>
<b>FUNDS FROM OTHER SOURCES</b>		
Proceeds from disposal of fixed assets	<u>34</u>	<u>1</u>
	<b>650</b>	<b>452</b>
<b>APPLICATION OF FUNDS</b>		
Purchase of fixed assets	(398)	(141)
Dividend paid	<u>(37)</u>	<u>—</u>
	<b>(435)</b>	<b>(141)</b>
	<b>215</b>	<b>311</b>
<b>WORKING CAPITAL MOVEMENTS</b>		
(Increase) in stocks	(56)	(295)
(Increase) in debtors	(1,664)	(475)
Increase in creditors	1,209	437
Increase in deferred revenue	237	90
Increase/(decrease) in customers' deposits	<u>24</u>	<u>(73)</u>
	<b>(250)</b>	<b>(316)</b>
<b>(DECREASE) IN BANK AND CASH</b>	<b><u>(35)</u></b>	<b><u>(5)</u></b>

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## NOTES TO THE 1982 FINANCIAL STATEMENTS

### 1 TURNOVER

Turnover represents the invoiced value of goods sold and service income accruing in the year.

2	PROFIT BEFORE TAXATION	1982 £000	1981 £000
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Profit is stated after charging/(crediting):

Vehicle leasing charges	168	133
Depreciation	108	88
(Profit)/loss on disposal of fixed assets	(2)	12
Directors' emoluments - note 3	130	110
Auditors' remuneration	13	12
Interest paid	6	-
Interest received	(6)	(13)
	<u>167</u>	<u>122</u>

3	DIRECTORS' EMOLUMENTS	1982 £000	1981 £000
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Emoluments excluding pension contributions:

Chairman	5	1
Highest paid director	39	35
	<u>44</u>	<u>36</u>

Emoluments of other directors were in the following brackets:

	Number	Number
Up to £5,000	1	2
£10,001 - £15,000	1	-
£30,001 - £35,000	1	2
£35,001 - £40,000	1	-
	<u>4</u>	<u>4</u>

### 4 EMPLOYEES' EMOLUMENTS

The number of employees, other than directors of the company, with emoluments in the year in excess of £30,000 was as follows:

	1982 Number	1981 Number
£30,001 - £35,000	-	2
£35,001 - £40,000	1	-
£40,001 - £45,000	1	-
£50,001 - £55,000	1	-
	<u>3</u>	<u>2</u>

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## NOTES TO THE 1982 FINANCIAL STATEMENTS (continued)

5	TAXATION	1982	1981
		£000	£000
(a)	<u>Charge for the year</u>		
	Corporation tax at 52% (1981 40%) based on the profit for the year adjusted for tax purposes	115	38
	Deferred taxation	<u>35</u>	<u>-</u>
		<u>150</u>	<u>38</u>

The charge for the year has been reduced by stock relief of £34,000 (1981 £40,000) and by accelerated capital allowances of £91,000 (1981 £20,000). The 1981 charge was further reduced by £135,000 arising from the utilisation of tax losses brought forward.

(b)	<u>Deferred taxation</u>	1982		1981
		Group	Company	Group and
		£000	£000	company
				£000
	The potential liability for taxation deferred by timing differences, principally accelerated capital allowances, amounts to:	<u>240</u>	<u>114</u>	<u>115</u>
	Of which, provision has been made in these accounts for tax benefits which may not be retained amounting to:	35	-	-
	Advance corporation tax recoverable	<u>15</u>	<u>15</u>	<u>-</u>
		<u>20</u>	<u>(15)</u>	<u>-</u>

(c) Company status

As far as the directors are aware, the company is not a close company as defined by the Taxes Acts.

## 6 EARNINGS PER SHARE

Earnings per share have been calculated on the profit for the year after taxation and before extraordinary item and on the share capital of 5,866,662 ordinary shares of 10p each which were in issue throughout the year.

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## NOTES TO THE 1982 FINANCIAL STATEMENTS (continued)

### 7 FIXED ASSETS

	<u>Computer equipment</u>	<u>Other plant and equipment</u>	<u>Total</u>
GROUP:	£000	£000	£000
<u>Cost</u>			
At 1 January 1982	227	241	468
Additions	340	58	398
Disposals	<u>(104)</u>	<u>(8)</u>	<u>(112)</u>
At 31 December 1982	<u>463</u>	<u>291</u>	<u>754</u>
<u>Depreciation</u>			
At 1 January 1982	101	90	191
Charge for the year	62	46	108
On disposals	<u>(74)</u>	<u>(6)</u>	<u>(80)</u>
At 31 December 1982	<u>89</u>	<u>130</u>	<u>219</u>
<u>Net Book Amount</u>			
31 December 1982	<u>374</u>	<u>161</u>	<u>535</u>
31 December 1981	<u>126</u>	<u>151</u>	<u>277</u>
COMPANY:			
<u>Cost</u>			
At 1 January 1982	227	241	468
Additions	214	58	272
Transfers to subsidiary	(142)	(3)	(145)
Disposals	<u>(104)</u>	<u>(8)</u>	<u>(112)</u>
At 31 December 1982	<u>195</u>	<u>288</u>	<u>483</u>

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## NOTES TO THE 1982 FINANCIAL STATEMENTS (continued)

### 7 FIXED ASSETS (continued)

	<u>Computer equipment</u>	<u>Other plant and equipment</u>	<u>Total</u>
COMPANY:	£000	£000	£000
<u>Depreciation</u>			
At 1 January 1982	101	90	191
Charge for the year	50	46	96
On transfers to subsidiary	(15)	(1)	(16)
On disposals	<u>(74)</u>	<u>(6)</u>	<u>(80)</u>
At 31 December 1982	<u>62</u>	<u>129</u>	<u>191</u>
<u>Net Book Amount</u>			
31 December 1982	<u>133</u>	<u>159</u>	<u>292</u>
31 December 1981	<u>126</u>	<u>151</u>	<u>277</u>

At 31 December 1982, the directors had authorised future capital expenditure of £40,000 (1981 - £Nil), all of which had been contracted for.

8 INVESTMENT IN SUBSIDIARIES	1982	1981
	£000	£000
Shares in subsidiaries at cost	1	-
Amounts owing by subsidiaries on current account	<u>246</u>	<u>-</u>
	<u>247</u>	<u>-</u>

The company owns the whole of the issued share capital of the following subsidiaries, both of which are incorporated in Great Britain:

(a) Business Computer Services Limited (formerly Briareed Limited)

This company commenced to trade on 1 July 1982 having been dormant since its incorporation on 13 January 1981. It now conducts the business of maintenance of computer systems and other related engineering activities previously conducted by Business Computer Systems PLC, and its trading results and net assets are incorporated in these consolidated accounts.

(b) Business Computers Limited (formerly Thatchsound Limited)

This company has remained dormant since its incorporation on 3 December 1980.



# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## NOTES TO THE 1982 FINANCIAL STATEMENTS (continued)

### 9 STOCKS

Stocks represent principally computer equipment, accessories and spares which are held for resale, and include goods which are subject to reservation of title by a supplier amounting to £693,000 (1981 £730,000).

10 SHARE CAPITAL	Group £000	Company £000
Ordinary shares of 10p each		
Authorised	1,000	1,000
Issued and fully paid	<u>587</u>	<u>587</u>
11 RETAINED EARNINGS	Group £000	Company £000
At 1 January 1982	502	502
Profit for the year retained - page 8	<u>324</u>	<u>312</u>
At 31 December 1982	<u>826</u>	<u>814</u>

### 12 OTHER STATUTORY INFORMATION

The financial statements comply with Sections 149(A) and 152(A) of and Schedule 8A to the Companies Act, 1948.

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## GROUP CURRENT COST PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1982

	1982 £000	1981 £000
TURNOVER	<u>7,501</u>	<u>6,239</u>
PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM ON THE HISTORICAL COST BASIS	510	427
Less: Current cost operating adjustments		
Depreciation	16	7
Cost of sales	113	124
Monetary working capital	<u>(61)</u>	<u>(107)</u>
	<u>68</u>	<u>24</u>
CURRENT COST OPERATING PROFIT	442	403
Gearing adjustment	<u>—</u>	<u>—</u>
CURRENT COST PROFIT BEFORE TAXATION AND EXTRAORDINARY ITEM	442	403
Taxation	<u>150</u>	<u>38</u>
CURRENT COST PROFIT AFTER TAXATION AND BEFORE EXTRAORDINARY ITEM	292	365
Share issue expenses	<u>—</u>	<u>76</u>
CURRENT COST PROFIT FOR THE YEAR	292	289
PROPOSED FINAL DIVIDEND (less waivers)	<u>36</u>	<u>37</u>
CURRENT COST PROFIT FOR THE YEAR RETAINED	<u>256</u>	<u>252</u>
CURRENT COST EARNINGS PER SHARE	5.0p	6.2p

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## GROUP CURRENT COST BALANCE SHEET AT 31 DECEMBER 1982

	1982 £000	1981 £000
FIXED ASSETS	549	301
NET CURRENT ASSETS		
Stocks	1,271	1,197
Monetary working capital	<u>(169)</u>	<u>(328)</u>
	1,102	869
Taxation	(168)	(38)
Proposed dividend	<u>(36)</u>	<u>(37)</u>
	<u>898</u>	<u>794</u>
	<u>1,447</u>	<u>1,095</u>
Represented by:		
SHARE CAPITAL	587	587
RESERVES (Note 2)	<u>840</u>	<u>508</u>
	1,427	1,095
DEFERRED TAXATION	<u>20</u>	<u>-</u>
	<u>1,447</u>	<u>1,095</u>

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## NOTES TO THE CURRENT COST FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1982

### 1 ACCOUNTING POLICIES

#### (a) Basis of accounting

The current cost financial statements have been prepared in accordance with Statement of Standard Accounting Practice No. 16 and show the impact of price changes on the company's assets and results.

With the exception of 1(b) below, the accounting policies are the same as those adopted in the historical cost financial statements.

#### (b) Fixed assets and depreciation

Fixed assets are stated at their current value to the business, being gross current replacement cost less accumulated depreciation. In calculating the gross current replacement cost, specific asset indices as published by the Government Statistical Service have been used, where available, and in all other cases internally generated indices have been used.

Depreciation has been calculated on the gross current replacement cost using the same rates as in the historical financial statements. The excess of the depreciation charge so calculated over that in the historical financial statements is shown as a current cost operating adjustment in the current cost profit and loss account.

#### (c) Stocks and cost of sales

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

The difference between the historical cost of stock sold and its replacement cost at the date of sale, calculated by the averaging method, is shown as a current cost operating adjustment in the current cost profit and loss account.

#### (d) Monetary working capital

This comprises trade debtors and prepayments less trade creditors and accruals. The change in the finance required for monetary working capital as a result of price changes during the year is shown as a current cost operating adjustment in the current cost profit and loss account.

#### (e) Gearing adjustment

The company has been financed from internal resources and accordingly no gearing adjustment arises.

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## NOTES TO THE CURRENT COST FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 1982 (continued)

	£000
2 RESERVES	
Balance at 1 January 1982	508
Retained current cost profit for the year	256
Revaluation surpluses reflecting price changes:	
Fixed assets	24
Stocks	<u>113</u>
	137
Monetary working capital adjustment	(61)
Gearing adjustment	<u>-</u>
Balance at 31 December 1982	<u>840</u>

# BUSINESS COMPUTER SYSTEMS PLC AND ITS SUBSIDIARIES

## FIVE YEAR SUMMARY (Historical cost accounts)

	1982 £000	1981 £000	1980 £000	1979 £000	1978 £000
Turnover	<u>7,501</u>	<u>6,239</u>	<u>4,798</u>	<u>3,926</u>	<u>2,518</u>
Profit before tax	510	427	418	352	108
Taxation	<u>150</u>	<u>38</u>	<u>-</u>	<u>-</u>	<u>-</u>
	360	389	418	352	108
Extraordinary items	<u>-</u>	<u>(76)</u>	<u>-</u>	<u>-</u>	<u>131</u>
Earnings attributable to ordinary shareholders	<u>360</u>	<u>313</u>	<u>418</u>	<u>352</u>	<u>239</u>
Ordinary dividend per share	1p	1p	-	-	-
Earnings per share on issued share capital after capitalisation issue in 1981	<u>6.1p</u>	<u>6.6p</u>	<u>7.1p</u>	<u>6.0p</u>	<u>2.6p</u>
<u>Employment of Capital</u>					
Fixed assets	535	277	236	103	61
Net current assets	<u>898</u>	<u>812</u>	<u>576</u>	<u>290</u>	<u>(8)</u>
	<u>1,433</u>	<u>1,089</u>	<u>812</u>	<u>393</u>	<u>53</u>
<u>Sources of Capital</u>					
Ordinary shareholders' interest	1,413	1,089	812	393	42
Loans	-	-	-	-	11
Deferred taxation	<u>20</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>1,433</u>	<u>1,089</u>	<u>812</u>	<u>393</u>	<u>53</u>