

C-TRAK LIMITED

Company Number: 01540407

FINANCIAL ACCOUNTS FOR THE

YEAR ENDED 31ST MARCH, 1997



C-TRAK LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH, 1997

The directors present their annual report with the accounts of the company for the year ended 31st March, 1997.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial 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 financial accounts the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial accounts;
- prepare the financial 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 financial 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.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was the manufacture and distribution of conveyor systems and accessories.

DIRECTORS

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

	Ordinary Shares of £1 each	
	<u>1997</u>	<u>1996</u>
A S Smith	840	840
M G Allen	100	100

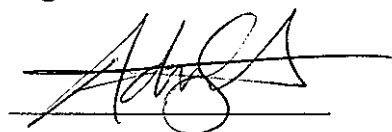
AUDITORS

The auditors, Messrs Breen & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

SMALL COMPANY EXEMPTIONS

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the board of directors



A S Smith - Director

Date: 30th March 1998

AUDITORS' REPORT TO THE SHAREHOLDERS OF
C-TRAK LIMITED

We have audited the financial accounts on pages 2 to 9 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1 the company's directors are responsible for the preparation of financial accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

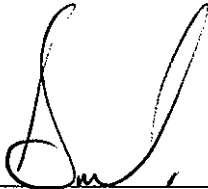
BASIS OF OPINION

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 financial accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial 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 financial 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 financial accounts.

OPINION

In our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 31st March, 1997 and of its loss for the YEAR then ended and have been properly prepared in accordance with the Companies Act 1985.



BREEN AND CO
Chartered Accountants
and Registered Auditors
8 Leighton Road
Linslade
Leighton Buzzard
Beds LU7 7LF

Date:

30th March 1998

C-TRAK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH, 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
TURNOVER		775,094	645,085
Cost of Sales		543,504	395,127
<u>GROSS PROFIT</u>		231,590	249,958
Net Operating Expenses			
Administrative Expenses		219,216	236,891
<u>OPERATING PROFIT</u>	2	12,374	13,067
Bank Interest Received		194	610
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</u>		12,568	13,677
Interest Payable	3	14,121	11,694
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		(1,553)	1,983
Tax on Ordinary Activities	4	825	1,763
<u>(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		£ (2,378)	£ 220
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit Brought Forward		69,710	69,490
Retained (Loss)/Profit for the Year		(2,378)	220
<u>RETAINED PROFIT CARRIED FORWARD</u>		£ 67,332	£ 69,710

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains or losses other than the profit or loss for the above two financial years.

The attached notes form part of these accounts.

C-TRAK LIMITED

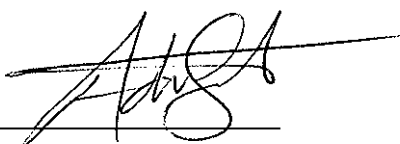
BALANCE SHEET

AS AT 31ST MARCH, 1997

	<u>Notes</u>	<u>1997</u>	<u>1996</u>
		£	£
FIXED ASSETS			
Tangible Assets	5	105,948	89,762
CURRENT ASSETS			
Stock		21,009	22,328
Debtors	6	169,456	131,602
Cash at Bank and in Hand		2,625	90,979
		<u>193,090</u>	<u>244,909</u>
CREDITORS : Amounts Falling Due within One Year	7	<u>(193,444)</u>	<u>(244,973)</u>
NET CURRENT LIABILITIES		<u>(354)</u>	<u>(64)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>105,594</u>	<u>89,698</u>
CREDITORS : Amounts Falling Due After more than One Year	8	34,612	14,828
PROVISION FOR LIABILITIES AND CHARGES	9	2,650	4,160
		<u>£ 68,332</u>	<u>£ 70,710</u>
CAPITAL AND RESERVES			
Equity Interests			
Share Capital	10	1,000	1,000
Profit and Loss Account		67,332	69,710
TOTAL SHAREHOLDERS' FUNDS	11	<u>£ 68,332</u>	<u>£ 70,710</u>

These accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Signed on behalf of the
board of directors



A S Smith
Director

Approved by the board:

30th March 1998

The attached notes form part of these accounts.

C-TRAK LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 1997

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts have been prepared under the historical cost convention and include the results of the company's operations, which are described in the directors report and all of which are continuing.

Turnover

Turnover represents the net invoiced sales of goods, excluding VAT.

Tangible Fixed Assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Motor Vehicles	25% on reducing balance
Plant and Equipment	15% on reducing balance
Fixtures and Fittings	10% on reducing balance

Stock

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

Deferred Taxation

Deferred Taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are taken into account in arriving at the operating loss.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised at the estimated fair value at date of inception of each lease or contract. The assets are depreciated over their expected useful lives. The finance charges are allocated over the primary period of the lease in proportion to the capital element outstanding.

Rentals payable under operating leases are charged to the profit and loss account as incurred.

Cash Flow Statement

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it qualifies as a small company under the Companies Act 1985.

C-TRAK LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 1997

2. OPERATING PROFIT

The Operating Profit (1996 - Profit) is stated after charging:

	<u>1997</u> £	<u>1996</u> £
Directors Remuneration	63,986	57,781
Depreciation of Tangible Fixed Assets	16,374	20,132
Auditors' Remuneration	3,375	2,255
Operating Lease Rentals	17,000	17,000
	<u> </u>	<u> </u>

3. INTEREST PAYABLE

	<u>1997</u> £	<u>1996</u> £
Interest on Hire Purchase and Finance Lease Contracts	9,851	4,816
Bank Interest Payable	-	78
Other Interest Payable	4,270	6,800
	<u> </u>	<u> </u>
	14,121	11,694
	<u> </u>	<u> </u>

4. TAXATION

The tax charge on the loss on ordinary activities was as follows:

	<u>1997</u> £	<u>1996</u> £
Corporation Tax	590	1,850
Deferred Taxation	(1,510)	(130)
Prior Year Adjustment	1,745	43
	<u> </u>	<u> </u>

Corporation tax has been charged on the loss at 24% (1996 25%).

C-TRAK LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 1997

5. TANGIBLE FIXED ASSETS

	Motor Vehicles	Plant & Equipment	Fixtures & Fittings	TOTAL
	£	£	£	£
COST OR VALUATION				
At 1st April, 1996	51,245	123,083	18,976	193,304
Additions in the year	94,800	1,532	2,103	98,435
Disposals in the year	(69,945)	-	-	(69,945)
At 31st March, 1997	76,100	124,615	21,079	221,794
DEPRECIATION				
At 1st April, 1996	14,902	74,299	14,341	103,542
Write Off On Disposal	(11,825)	-	-	(11,825)
Charge for the year	12,903	9,963	1,263	24,129
At 31st March, 1997	15,980	84,262	15,604	115,846
NET BOOK VALUE				
At 31st March, 1997	60,120	40,353	5,475	105,948
At 31st March, 1996	36,343	48,784	4,635	89,762

The above analysis includes the following in respect of assets held under finance leases and hire purchase contracts:

Net Book Value:				
31st March, 1997	57,985	8,960	-	66,945
31st March, 1996	33,496	21,237	-	54,733
Depreciation:				
Charge for 1997	8,740	2,240	-	10,980
Charge for 1996	5,667	5,309	-	10,976
Accumulated to:				
31st March, 1997	11,365	8,540	-	19,905
31st March, 1996	10,999	12,213	-	23,212

6. DEBTORS

	<u>1997</u> £	<u>1996</u> £
Amounts due within one year:		
Trade Debtors	162,871	119,717
Other Debtors	6,585	11,885
	169,456	131,602

C-TRAK LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 1997

7. CREDITORS: Amounts falling
Due within One Year

	<u>1997</u> £	<u>1996</u> £
Trade Creditors	99,967	157,118
Social Security and Other Taxes	29,943	20,473
Corporation Tax	5,645	1,850
Hire Purchase and Finance Leases	14,152	18,140
Short Term Loan	34,250	34,250
Other Creditors	9,487	13,142
	<u>193,444</u>	<u>244,973</u>

8. CREDITORS: Amounts Falling
Due After more than One Year

	<u>1997</u> £	<u>1996</u> £
Hire Purchase and Finance Leases	<u>34,612</u>	<u>14,828</u>

9. PROVISION FOR LIABILITIES AND CHARGES

<u>Provisions:</u>	<u>At Start</u> <u>of Year</u> £	<u>Movement</u> £	<u>At End</u> <u>of Year</u> £
Deferred Taxation	(4,160)	1,510	(2,650)
	<u>(4,160)</u>	<u>1,510</u>	<u>(2,650)</u>

10. SHARE CAPITAL

	<u>1997</u> £	<u>1996</u> £
Authorised: 100,000 ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>
Allotted, Issued and Fully Paid: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>1997</u> £	<u>1996</u> £
(Loss)/profit for the financial year	(2,378)	220
Opening Shareholders' Funds	<u>70,710</u>	<u>70,490</u>
Closing Shareholders' Funds	<u>68,332</u>	<u>70,710</u>

C-TRAK LIMITED

NOTES TO ACCOUNTS

FOR THE YEAR ENDED 31ST MARCH, 1997

12. FINANCIAL COMMITMENTS

Operating Leases

At 31st March, 1997 the company had annual commitments under non-cancellable operating leases as set out below :-

	<u>1997</u> <u>Land and</u> <u>Buildings</u> £	<u>1996</u> <u>Land and</u> <u>Buildings</u> £
Operating Leases that expire: in the second to fifth years	17,000	17,000