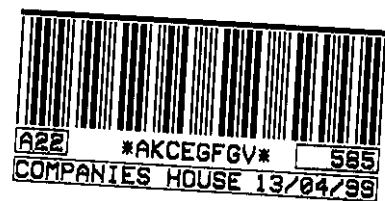


C-TRAK LIMITED

Company Number: 01540407

FINANCIAL STATEMENTS

31ST MARCH, 1998



COMPANIES HOUSE 03/04/99

C-TRAK LIMITED

DIRECTORS' REPORT

31st March, 1998

The directors present their report and the audited financial statements for the year ended 31st March, 1998.

Statement of Directors' Responsibilities

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 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.

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 of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	Ordinary Shares £1 each	
	1998	1997
A S Smith	840	840
M G Allen	100	100

Auditors

Breen & Co have agreed to offer themselves for re-appointment as auditors of the company.

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 Smith - Director

Date: 29th March 1998

C-TRAK LIMITED

AUDITORS' REPORT

Auditors' report to the members of

C-Trak Limited

We have audited the financial statements on pages 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 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

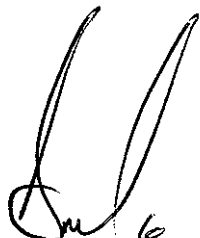
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

However, the evidence available to us was limited since there were no satisfactory procedures we could adopt to verify the stock on hand at 31st March 1998 of £19,749.

Opinion

Except for any adjustment that may have been necessary had we been able to verify the stock figure, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March, 1998 and of its profit 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: 29th March, 1999

C-TRAK LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31st March, 1998

	Note	1998 £	1997 £
Turnover		564,855	775,094
Cost of sales		358,322	543,504
Gross profit		206,533	231,590
Net operating expenses			
Administrative expenses		194,549	219,216
Operating profit	2	11,984	12,374
Bank interest received		92	194
Interest payable	4	(11,126)	(14,121)
Profit/(loss) on ordinary activities before taxation		950	(1,553)
Taxation	5	26	(825)
Profit/(loss) on ordinary activities after taxation		976	(2,378)
Statement of Retained Earnings			
Retained Profit Brought Forward		67,332	69,710
Retained Profit/(Loss) for the year		976	(2,378)
Retained Profit Carried Forward		68,308	67,332

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

There are no recognised gains and losses in 1998 or 1997 other than the profit/(loss) for the year.

The attached notes form part of these accounts.

C-TRAK LIMITED

BALANCE SHEET

at 31st March, 1998

	Note	£	1998 £	£	1997 £
Fixed assets					
Tangible assets	6		84,868		105,948
Current assets					
Stocks		19,749		21,009	
Debtors	7	121,971		169,456	
Cash at bank and in hand		854		2,625	
			142,574		193,090
Creditors: amounts falling due within one year	8	(133,574)		(193,444)	
Net current assets/(liabilities)			9,000		(354)
Total assets less current liabilities			93,868		105,594
Creditors: amounts falling due after more than one year	9		(23,210)		(34,612)
Provision for liabilities and charges	10		(1,350)		(2,650)
			69,308		68,332
Capital and reserves					
Equity Interests					
Called up share capital	12		1,000		1,000
Profit and loss account			68,308		67,332
Total shareholders' funds	11		69,308		68,332

These financial statements 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: 29th March 1999

The attached notes form part of these accounts

C-TRAK LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March, 1998

1 Accounting policies

Basis of accounting

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

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery	20% on reducing balance
Motor vehicles	25% on reducing balance
Fixtures and fittings	20% on reducing balance

Stocks

Stocks are 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.

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 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 as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

C-TRAK LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March, 1998

2 Operating profit

	1998 £	1997 £
Operating profit is stated after charging		
Auditors' remuneration	2,360	3,375
Depreciation of tangible fixed assets	24,540	26,337
Operating Lease Rentals	17,000	17,000
	<u> </u>	<u> </u>

3 Directors

	1998 £	1997 £
Directors' emoluments	76,064	63,986
	<u> </u>	<u> </u>
	Number	Number
During the year the following number of Directors accrued retirement benefits under:		
Money Purchase Schemes	1	0
	<u> </u>	<u> </u>

4 Interest payable

	1998 £	1997 £
Finance lease and hire purchase contracts	7,090	9,851
Other interest payable	4,036	4,270
	<u> </u>	<u> </u>
	11,126	14,121
	<u> </u>	<u> </u>

5 Taxation

	1998 £	1997 £
Corporation tax on profit on ordinary activities at 21% (1997 24%)	1,277	590
Deferred taxation	(1,300)	(1,510)
(Over)/under provision in earlier years	(3)	1,745
	<u> </u>	<u> </u>
	(26)	825
	<u> </u>	<u> </u>

C-TRAK LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March, 1998

6 Tangible fixed assets

	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Total £
Cost				
1st April, 1997	76,100	124,615	21,079	221,794
Additions	-	-	3,460	3,460
31st March, 1998	<u>76,100</u>	<u>124,615</u>	<u>24,539</u>	<u>225,254</u>
Depreciation				
1st April, 1997	15,980	84,262	15,604	115,846
Charge for year	15,030	8,072	1,438	24,540
31st March, 1998	<u>31,010</u>	<u>92,334</u>	<u>17,042</u>	<u>140,386</u>
Net book amount				
31st March, 1998	<u>45,090</u>	<u>32,281</u>	<u>7,497</u>	<u>84,868</u>
1st April, 1997	<u>60,120</u>	<u>40,353</u>	<u>5,475</u>	<u>105,948</u>

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

Net Book Value				
31st March, 1998	43,489	-	-	43,489
31st March, 1997	<u>57,985</u>	<u>8,960</u>	<u>-</u>	<u>66,945</u>
Depreciation:				
Charge for 1998	14,496	-	-	14,496
Charge for 1997	<u>8,740</u>	<u>2,240</u>	<u>-</u>	<u>10,980</u>
Accumulated To:				
31st March, 1998	25,861	-	-	25,861
31st March, 1997	<u>11,365</u>	<u>8,540</u>	<u>-</u>	<u>19,905</u>

7 Debtors

	1998 £	1997 £
Amounts falling due within one year		
Trade debtors	116,836	162,871
Prepayments	<u>5,135</u>	<u>6,585</u>
	<u>121,971</u>	<u>169,456</u>

C-TRAK LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March, 1998

8 Creditors: amounts falling due within one year

	1998 £	1997 £
Trade creditors	53,097	99,967
Short term loan	34,250	34,250
Corporation tax	1,277	5,645
Other taxation and social security	19,944	29,943
Other creditors	405	277
Accruals	13,198	9,141
Hire purchase and finance leases	11,403	14,152
	<u>133,574</u>	<u>193,375</u>

9 Creditors: amounts falling due after more than one year

	1998 £	1997 £
Hire purchase and finance leases	23,210	34,612
	<u>23,210</u>	<u>34,612</u>

10 Deferred taxation

	1998 £	1997 £
As at 1st April, 1997	2,650	4,160
Charge/ Credit for the year	(1,300)	(1,510)
	<u>1,350</u>	<u>2,650</u>

11 Reconciliation of movements in shareholders' funds

	1998 £	1997 £
Profit/(loss) for the financial year	976	(2,378)
Opening shareholders' funds	68,332	70,710
Closing shareholders' funds	<u>69,308</u>	<u>68,332</u>

C-TRAK LIMITED

NOTES ON FINANCIAL STATEMENTS

31st March, 1998

12 Called up share capital

	1998 £	1997 £
Authorised: 100,000 ordinary shares of £1 each	100,000	100,000
Allotted, issued and Fully Paid: 1,000 ordinary shares of £1 each	1,000	1,000

13 Financial Commitments

Operating Leases

At 31st March, 1998 the company had annual commitments under non-cancellable operating leases as set out below:

	1998 Land and Buildings £	1997 Land and Buildings £
Operating leases that expire: in the second to fifth years	17,000	17,000