

C-TRAK LIMITED

Company Number: 01540407

FINANCIAL ACCOUNTS FOR THE
YEAR ENDED 31ST MARCH, 1999



C-TRAK LIMITED
REPORT OF THE DIRECTORS

FOR THE YEAR ENDED 31ST MARCH, 1999

The directors present their annual report with the accounts of the company for the year ended 31st March, 1999.

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 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>1999</u>	<u>1998</u>
A S Smith	840	840
M G Allen	100	100

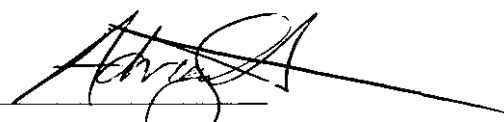
AUDITORS

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 S Smith - Director

Date: 9th November 1999

AUDITORS' REPORT TO THE SHAREHOLDERS OF
C-TRAK LIMITED

We have audited the financial accounts on pages 3 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

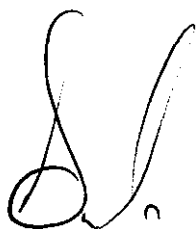
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial accounts. It also includes an assessment of the significant estimates and judgements 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.

However, the evidence available to us was limited since we did not attend the stock count at the end of the year and there were no satisfactory audit procedures we could adopt to verify the stock on hand at 31st March 1999 of £11,216.

OPINION

Except for any adjustment that may have been necessary had we been able to verify the stock figure, in our opinion the financial accounts give a true and fair view of the state of the company's affairs as at 31st March, 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



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

Date:

9th November 1999

C-TRAK LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH, 1999

	<u>Notes</u>	<u>1999</u>	<u>1998</u>
		£	£
TURNOVER		527,878	564,855
Cost of Sales		300,681	358,322
<u>GROSS PROFIT</u>		227,197	206,533
Net Operating Expenses			
Administrative Expenses		196,107	194,549
<u>OPERATING PROFIT</u>	2	31,090	11,984
Bank Interest Received		5	92
Interest Payable	4	(9,092)	(11,126)
<u>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		22,003	950
Tax on Ordinary Activities	5	6,323	(26)
<u>PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION</u>		£ 15,680	£ 976
<u>STATEMENT OF RETAINED EARNINGS</u>			
Retained Profit Brought Forward		68,308	67,332
Retained Profit for the Year		15,680	976
<u>RETAINED PROFIT CARRIED FORWARD</u>		£ 83,988	£ 68,308

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, 1999

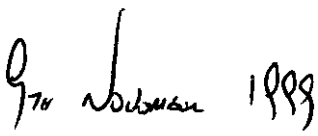
	<u>Notes</u>	<u>1999</u>	<u>1998</u>
		£	£
FIXED ASSETS			
Tangible Assets	6	83,373	84,868
CURRENT ASSETS			
Stock		11,216	19,749
Debtors	7	131,013	121,971
Cash at Bank and in Hand		12,224	854
		<u>154,453</u>	<u>142,574</u>
CREDITORS : Amounts Falling Due within One Year	8	<u>(114,265)</u>	<u>(133,574)</u>
NET CURRENT ASSETS		<u>40,188</u>	<u>9,000</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>123,561</u>	<u>93,868</u>
CREDITORS : Amounts Falling Due After more than One Year	9	35,963	23,210
PROVISION FOR LIABILITIES AND CHARGES	10	2,610	1,350
		<u>£ 84,988</u>	<u>£ 69,308</u>
CAPITAL AND RESERVES			
Equity Interests			
Share Capital	11	1,000	1,000
Profit and Loss Account		83,988	68,308
TOTAL SHAREHOLDERS' FUNDS	12	<u>£ 84,988</u>	<u>£ 69,308</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:

 1999

The attached notes form part of these accounts.

C-TRAK LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MARCH, 1999

1. ACCOUNTING POLICIES

Basis of Accounting

The accounts 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 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	20% on reducing balance
Fixtures and Fittings	20% on reducing balance

Stock

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.

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 profit.

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.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged to the profit and loss account.

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 THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 1999

2. OPERATING PROFIT

The Operating Profit (1998 - Profit) is stated after charging:

	<u>1999</u> £	<u>1998</u> £
Depreciation of Tangible Fixed Assets	22,240	24,540
Auditors' Remuneration	2,980	2,360
Operating Lease Rentals	17,000	17,000
	<u> </u>	<u> </u>

3. DIRECTORS' REMUNERATION

	<u>1999</u> £	<u>1998</u> £
Directors' Emoluments	82,902	76,064
	<u> </u>	<u> </u>

	<u>Number</u>	<u>Number</u>
During the year the following number of Directors accrued Retirement Benefits under:		
Money Purchase Schemes	<u>1</u>	<u>1</u>

4. INTEREST PAYABLE

	<u>1999</u> £	<u>1998</u> £
Interest on Hire Purchase and Finance Lease Contracts	5,892	7,090
Other Interest Payable	3,200	4,036
	<u>9,092</u>	<u>11,126</u>

5. TAXATION

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

	<u>1999</u> £	<u>1998</u> £
Corporation Tax	5,063	1,277
Deferred Taxation	1,260	(1,300)
Prior Year Adjustment	-	(3)
	<u> </u>	<u> </u>

C-TRAK LIMITED

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 1999**

6. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Plant & Equipment £	Fixtures & Fittings £	TOTAL £
COST				
At 1st April, 1998	76,100	124,615	24,539	225,254
Additions in the year	53,918	1,396	2,231	57,545
Disposals in the year	(69,350)	-	-	(69,350)
At 31st March, 1999	60,668	126,011	26,770	213,449
DEPRECIATION				
At 1st April, 1998	31,010	92,334	17,042	140,386
Write Off On Disposal	(31,297)	-	-	(31,297)
Charge for the year	12,576	6,566	1,845	20,987
At 31st March, 1999	12,289	98,900	18,887	130,076
NET BOOK VALUE				
At 31st March, 1999	48,379	27,111	7,883	83,373
At 31st March, 1998	45,090	32,281	7,497	84,868

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

Net Book Value:

31st March, 1999	47,178	-	-	47,178
31st March, 1998	43,489	-	-	43,489

Depreciation:

Charge for 1999	6,739	-	-	6,739
Charge for 1998	14,496	-	-	14,496

Accumulated to:

31st March, 1999	6,739	-	-	6,739
31st March, 1998	25,861	-	-	25,861

7. DEBTORS

	1999 £	1998 £
Amounts due within one year:		
Trade Debtors	126,559	116,836
Other Debtors	4,454	5,135
	131,013	121,971

C-TRAK LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 1999

8. CREDITORS: Amounts Falling
Due within One Year

	<u>1999</u> £	<u>1998</u> £
Short Term Loan	34,250	34,250
Trade Creditors	38,052	53,097
Social Security and Other Taxes	19,314	19,944
Corporation Tax	5,063	1,277
Hire Purchase and Finance Lease Liability	6,132	11,403
Other Creditors	11,454	13,603
	<u>114,265</u>	<u>133,574</u>

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

	<u>1999</u> £	<u>1998</u> £
Hire Purchase and Finance Lease Liability	<u>35,963</u>	<u>23,210</u>

10. PROVISION FOR LIABILITIES AND CHARGES

Provisions:	<u>At Start</u> <u>of Year</u> £	<u>Movement</u> £	<u>At End</u> <u>of Year</u> £
Deferred Taxation	1,350	1,260	2,610
	<u>1,350</u>	<u>1,260</u>	<u>2,610</u>

11. SHARE CAPITAL

	<u>1999</u> £	<u>1998</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>

12. RECONCILIATION OF MOVEMENTS IN
SHAREHOLDERS' FUNDS

	<u>1999</u> £	<u>1998</u> £
Profit for the financial year	15,680	976
Opening shareholders' funds	69,308	68,332
Closing shareholders' funds	<u>84,988</u>	<u>69,308</u>

C-TRAK LIMITED

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH, 1999

13. FINANCIAL COMMITMENTS

Operating Leases

At 31st March, 1999 the company had annual commitments under non-cancellable operating leases as set out below :-

	<u>1999</u> <u>Land and</u> <u>Buildings</u> £	<u>1998</u> <u>Land and</u> <u>Buildings</u> £
Operating Leases that expire: in the second to fifth years	17,000	17,000

14. CONTROLLING PARTY

The company is controlled by A S Smith, who owns 84% of the issued share capital.

15. YEAR 2000

The directors are currently addressing the impact on the business of the year 2000. All computer systems, telecommunication systems and other technical systems are being assessed. Many of the company's systems and processes are already compliant and the directors consider that all such systems will be compliant by the end of December 1999.