

PROSPEC SYSTEMS LIMITED

COMPANY NUMBER 2170121

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2000



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PROSPEC SYSTEMS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2000

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PROSPEC SYSTEMS LIMITED

DIRECTORS' REPORT

The Directors present their report and the financial statements of the company for the year ended 31st March 2000.

Principal Activity

The company's principal activity continues to be the sale of a range of products to the manufacturing engineering sector of industry.

Future Developments

The directors have considered the risks of computer software used by this company not being 'Year 2000 Compliant' and are confident this will not present a problem to the company.

Directors

The Directors of the company who served during the year , and their beneficial interests in the ordinary shares of the company at 31st March 2000 , which remained constant , were as follows :-

£1 Ordinary Shares

J. G. Kelly (Director)	19,500
R. A. Day (Director)	10,500

Tax Status

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

Directors' Statement

This report has been 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



T. Gartland
Secretary

25 Common Close
Horsell
Woking
Surrey

22 January 2001

PROSPEC SYSTEMS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 MARCH 2000

	Note	2000 £	1999 £
Turnover	2	147,431	162,938
Cost of Sales		<u>(35,531)</u>	<u>(37,983)</u>
Gross Profit		111,900	124,955
Selling and Distribution		(85,172)	(102,298)
Administrative Expenses		<u>(12,118)</u>	<u>(14,395)</u>
Operating Profit		14,610	8,262
Interest Receivable		661	631
Interest Payable		<u>(2,337)</u>	<u>(2,010)</u>
Profit on Ordinary Activities before taxation	3	12,934	6,883
Taxation on Profit on Ordinary Activities	4	<u>(132)</u>	<u>(132)</u>
Retained Profit for the year after taxation		12,802	6,751
Accumulated Losses brought forward		<u>(21,925)</u>	<u>(28,676)</u>
Accumulated Losses carried forward		<u>(9,123)</u>	<u>(21,925)</u>

PROSPEC SYSTEMS LIMITED

BALANCE SHEET AT 31 MARCH 2000

	Note	2000 £	1999 £
Fixed Assets			
Tangible Assets	5	28,109	9,271
Current Assets			
Stocks		1,121	0
Debtors and prepayments	6	39,074	24,097
Cash at Bank		<u>21,853</u>	<u>31,472</u>
		62,048	55,569
Creditors			
Amounts falling due within 1 year	7	<u>44,092</u>	<u>51,325</u>
Net Current Assets		<u>17,956</u>	<u>4,244</u>
Total Assets less Current Liabilities		46,065	13,515
Creditors			
Amounts falling due after more than 1 year	7	<u>25,188</u>	<u>5,440</u>
		<u>20,877</u>	<u>8,075</u>
Financed by :-			
Capital and Reserves			
Called up Share Capital	10	30,000	30,000
Profit and Loss Account		<u>(9,123)</u>	<u>(21,925)</u>
Shareholders' Funds		<u>20,877</u>	<u>8,075</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and the Financial Reporting Standard for Smaller Entities (effective 2000).

The Directors are satisfied that the company is entitled to exemption under Section 249A (1) of the Companies Act 1985 and that no member or members have requested an audit pursuant to Section 249B(2) in relation to the financial statements for the financial year.

The Directors acknowledge their responsibility for :-

- i. ensuring that the company keeps accounting records which comply with Section 221: and
- ii. preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of Section 226, and which otherwise comply with requirements of this Act relating to financial statements, so far as applicable to the company.

Signed on behalf of the Board

J. G. Kelly

Approved by the Directors on 22 January 2001.

PROSPEC SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2000

1. Accounting Policies

a) Basis of Accounting

The financial statements are prepared under the historical cost convention which takes no account of the effect of inflation and in accordance with the Financial Reporting Standard for smaller Entities(effective March 2000).

b) Basis of Preparation

The financial statements have been prepared on a going concern basis.

c) Turnover

Turnover represents sales at invoice value less trade discounts allowed and excluding value added tax.

d) Tangible Fixed Assets and Depreciation

Tangible fixed assets are depreciated on a straight line basis over their estimated useful lives :-

Office Equipment - 3 and 5 years.

Computer Equipment and Software - 3 years.

Motor Vehicles - 3 years.

e) Leases and Hire Purchase

Where assets are financed by leasing arrangements or under hire purchase that give rights approximating to ownership the assets are treated as if they had been purchased outright at the fair value of the asset and depreciated over their useful lives. The corresponding commitments are shown as obligations in the balance sheet. Operating lease payments are charged to the profit and loss account.

f) Deferred Taxation

Provision is made under the liability method for deferred taxation arising in respect of accelerated capital allowances where it is probable the charge will crystallise in the foreseeable future.

g) Stocks

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

h) Pension Costs

The company operates a money purchase pension scheme on behalf of the one full time working director. Contributions in respect of the scheme are charged to the profit and loss account in the year in which they are made. The company's liability is limited to the amount of the contributions.

PROSPEC SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2000

2. Turnover

All turnover was generated within the United Kingdom.

3. Operating Profit

The Operating Profit is stated after charging :-

	2000 £	1999 £
Depreciation	10,044	10,113
Directors' Emoluments	28,603	24,833
Contributions to money purchase pension scheme for one director	4,800	4,800

4. Taxation

UK corporation tax provision	132	132
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5. Tangible Fixed Assets

Cost	Office Equip.	Computer Equip.	Leased Assets	Motor Vehicle	Total
1 April 1999	1,001	7,309	1,650	30,340	40,300
Additions	95	758	0	28,873	29,726
Disposals	0	0	0	(30,340)	(30,340)
31 March 2000	1,096	8,067	1,650	28,873	39,686
Depreciation					
1 April 1999	1,001	7,309	1,650	21,069	31,029
Depreciation charged in year	19	253	0	9,772	10,044
Disposals	0	0	0	(29,496)	(29,496)
31 March 2000	1,020	7,562	1,650	1,345	11,577
Net Book Value					
Owned Assets	76	505	0	0	581
Leased Assets	0	0	0	27,528	27,528
31 March 2000	76	505	0	27,528	28,109
Owned Assets	0	0	0	0	0
Leased Assets	0	0	0	9,271	9,271
31 March 1999	0	0	0	9,271	9,271

6. Debtors

Trade debtors	35,074	22,948
Other debtors	4,000	0
Prepayments	0	1,149
	39,074	24,097

PROSPEC SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2000

	2000 £	1999 £
7. Creditors		
Amounts falling due within one year :-		
Trade Creditors	13,144	13,008
Other Creditors	3,000	3,000
Accruals	13,050	17,200
Indirect taxation & Social Security	7,130	4,124
Corporation Tax	132	132
Hire Purchase Obligations (note 8)	7,636	13,861
	<u>44,092</u>	<u>51,325</u>
Amounts falling due after more than one year :-		
Directors Loans	3,290	3,290
Reserve / Warranty	4,035	2,150
Hire Purchase Obligations (note 8)	17,863	0
	<u>25,188</u>	<u>5,440</u>

8. Hire Purchase Obligations

Gross Future Commitments	29,951	15,704
Less Finance Charges allocated to future periods	(4,452)	(1,843)
	<u>25,499</u>	<u>13,861</u>
In creditors falling due within one year	7,636	13,861
In creditors falling due within one year	17,863	0
	<u>25,499</u>	<u>13,861</u>

9. Deferred Taxation

No provision is made in the financial statements as the Directors are of the opinion that it is unlikely any liability will crystallise in the foreseeable future.

10. Share Capital

The authorised share capital of the company is £ 50,000 divided into 50,000 ordinary shares of £ 1 each, 30,000 of which have been issued and fully paid.

11. Reconciliation of movements in shareholders' funds

Profit for the financial year	12,802	(8,820)
Opening shareholders funds	(21,925)	(28,676)
Net addition to shareholders funds	12,802	6,751
Closing shareholders funds	<u>(9,123)</u>	<u>(21,925)</u>

12. Controlling Party

The company is under the control of J.G.Kelly.

13. Related Party Transactions

At the end of the year an amount of £2290 was due to the director J.G.Kelly
£1,000 was due to the director R.A.Day. The company does not expect to repay these amounts in the next financial year.