PROSPEC SYSTEMS LIMITED

COMPANY NUMBER 2170121

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 MARCH 2001



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PROSPEC SYSTEMS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2001

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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 2001.

Principal Activity

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

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 2001 , 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

Tara Gartland

T. Gartland
Secretary

25 Common Close
Horsell
Woking
Surrey

8 January 2002

PROSPEC SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2001

	Note	2001 £	2000 £
Turnover	2	148,581	147,431
Cost of Sales		(33,928)	(35,531)
Gross Profit		114,653	111,900
Distribution costs		(87,771)	(85,172)
Administrative Expenses		(26,082)	(12,118)
Operating Profit		800	14,610
Interest Receivable and Similar Income		1,008	661
Interest Payable and Similar Charges		(1,785)	(2,337)
Profit on Ordinary Activities before taxation	3	23	12,934
Taxation on Profit on Ordinary Activities	4	133	(132)
Profit on Ordinary Activities after taxation		156	12,802

PROSPEC SYSTEMS LIMITED

BALANCE SHEET AT 31 MARCH 2001

	Note	2001 £	2000 £
Fixed Assets			
Tangible Assets	5	19,549	28,109
Current Assets			
Stocks		1,499	1,121
Debtors and prepayments	6	31,206	39,074
Cash at Bank		19,352	21,853
		52,057	62,048
Creditors			
Amounts falling due within 1 year	7	31,320	44,092
Net Current Assets		20,737	17,956
Total Assets less Current Liabilities		40,286	46,065
Creditors			
Amounts falling due after more than 1 year	7	19,253	25,188
		21,033	20,877
Financed by :-			
Capital and Reserves			
Called up Share Capital	10	30,000	30,000
Profit and Loss Account		(8,967)	(9,123)
Shareholders' Funds		21,033	20,877

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

The Directors are satisfied that the company is entitled to exemption under Section249A (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 of the Companies Act 1985:
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 the 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 8 January 2002.

PROSPEC SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2001

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 crystalise in the forseeable 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.

2. Turnover

All turnover was generated within the United Kingdom.

3. Operating Profit

The Operating Profit is stated after charging :-

	2001 £	2000 £
Depreciation	10,050	10,113
Directors' Emoluments	29,090	28,603
Contributions to money purchase pension scheme for one director	4,800	4,800

4. Taxation

UK corporation tax at 20% (2000 : 20%)	(133)	132

5. Tangible Fixed Assets

Cost	Office Equip.	Computer Equip.	Leased Assets	Motor Vehicle	Total
1 April 2000	1,096	8,067	1,650	28,873	39,686
Additions	0	1,490	0	0	1,490
Disposals	(101)	0	0	0	(101)
31 March 2001	995	9,557	1,650	28,873	41,075
Depreciation					
1 April 2000	1,020	7,562	1,650	1,345	11,577
Depreciation charged in year	19	407	0	9,624	10,050
Disposals	(101)	0	0	0	(101)
31 March 2001	938	7,969	1,650	10,969	21,526
Net Book Value					
Owned Assets	57	1,588	0	0	1,645
Leased Assets	0	0	0	17,904	17,904
31 March 2001	57	1,588	0	17,904	19,549
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

PROSPEC SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2001

	2001 £	2000 £
6. Debtors		
Trade debtors	30,856	35,074
Other debtors	350	4,000
	31,206	39,074
7 Creditors		
Amounts falling due within one year :-		
Trade Creditors	7,083	13,144
Other Creditors	3,000	3,000
Accruals	4,792	13,050
Indirect taxation & Social Security	8,809	7,130
Corporation Tax	0	132
Hire Purchase Obligations (note 8)	7,636	7,636
	31,320	44,092
Amounts falling due after more than one year :-		
Directors Loans	3,290	3,290
Reserve / Warranty	5,570	4,035
Hire Purchase Obligations (note 8)	10,393	17,863
	19,253	25,188
8. Hire Purchase Obligations		
Gross Future Commitments	20,821	29,951
Less Finance Charges allocated to future periods	(2,792)	(4,452)
	18,029	25,499
In creditors falling due within one year	7,636	7,636
In creditors falling due within one year	10,393	17,863
	18,029	25,499

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 crystalise in the forseeable future.

10 The pension cost charge represents contributions payable by the company into the money purchase scheme and amounted to £4,800 (2000:£4,800). Contributions totalling £0 (2000:£0) were payable to the scheme at the year end and are included in creditors.

11. 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.

12. Statement of movements on profit and loss account

Profit for the financial year	156	12,802
Opening shareholders funds	(9,123)	(21,925)
Net addition to shareholders funds	156	12,802
Closing shareholders funds	(8,967)	(9,123)

13. Controlling Party
The company is under the control of J.G.Kelly.

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