

Registered Company Number: 2754607

THE Q C LABORATORY LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
for the year ended
31 December 1997



DIRECTOR'S REPORT

for the year ended 31 December 1997

The Director presents his report and the financial statements for the year ended 31 December 1997.

Principal Activity

The principal activity of the Company is the sale and servicing of laboratory equipment.

Results

The results of the business are shown in the attached accounts. The Director does not recommend the payment of a dividend. The profit for the year of £35,276 will be added to the revenue reserve brought forward.

Director

The Director who served throughout the year and his interest with his spouse in the issued share capital of the Company is as follows:

£1 Ordinary shares
at 31 December 1996 and 1997

A M Jennings

50

Statement of Director's Responsibilities

Company law requires the Director 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 year. In preparing those financial statements the Director is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Director is responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable him to ensure that the financial statements comply with the Companies Act 1985. He is 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.

The Director has taken advantage in preparing these financial statements of certain special exemptions available to small companies on the grounds that the Company is a small company by virtue of section 247 of the Companies Act 1985.

By Order of the Board

M E JENNINGS

Mary E. Jennings

1998

18.6.98.

Company Secretary

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 1997

	<u>Notes</u>	<u>1996</u>	<u>1997</u>
Turnover		241,795	245,783
Opening Stock	37,813		28,901
Purchases	127,597		135,328
Subcontract	<u>656</u>		<u>341</u>
	166,066		164,570
Less: Closing stock	<u>28,901</u>		<u>10,028</u>
		<u>137,165</u>	<u>154,542</u>
Gross Profit		104,630	91,241
Administrative expenses	32,950		35,588
Establishment expenses	10,009		9,385
Selling expenses	<u>12,550</u>		<u>12,191</u>
		<u>55,509</u>	<u>57,164</u>
Operating profit	3	49,121	34,077
Other income	4	<u>8,994</u>	<u>12,086</u>
Profit on ordinary activities before taxation		58,115	46,163
Taxation	5	<u>14,248</u>	<u>10,887</u>
Profit for the year		43,867	35,276
Revenue reserve brought forward		<u>63,602</u>	<u>107,469</u>
Revenue reserve carried forward		<u>£107,469</u>	<u>£142,745</u>

Turnover and operating profit derive from continuing activities.

BALANCE SHEET
as at 31 December 1997

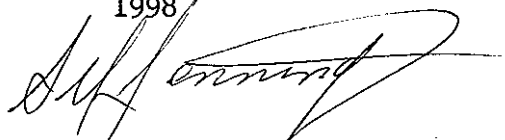
	<u>Notes</u>	<u>1996</u>	<u>1997</u>
FIXED ASSETS			
Tangible fixed assets	7	1,062	1,643
Investments	8	-	20,634
CURRENT ASSETS			
Stock	28,901	10,028	
Loan	18,333	13,333	
Debtors - Trade	43,328	35,737	
Prepayments	355	378	
Cash at Bank	170,078	236,780	
	<u>260,995</u>	<u>296,256</u>	
CURRENT LIABILITIES - Creditors			
- amounts falling due within one year			
Trade creditors	23,562	61,397	
PAYE and National Insurance	678	696	
Corporation Tax	14,248	10,887	
Other accruals	6,379	6,299	
VAT	2,867	4,817	
	<u>47,734</u>	<u>84,096</u>	
NET CURRENT ASSETS		213,261	212,160
		<u>214,323</u>	<u>234,437</u>
LOAN ACCOUNT	6	(106,754)	(91,592)
NET ASSETS		<u>£107,569</u>	<u>£142,845</u>
Represented by:			
CALLED UP SHARE CAPITAL	9	100	100
REVENUE RESERVE		107,469	142,745
SHAREHOLDERS' FUNDS		<u>£107,569</u>	<u>£142,845</u>

The Director has taken advantage in preparing these financial statements of certain special exemptions available to small companies on the grounds that the Company is a small company by virtue of section 247 of the Companies Act 1985. The Director considers that the Company is entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the nominal value of the Company's share capital have not issued a notice requiring an audit. The Director acknowledges his responsibilities for ensuring that the Company keeps accounting records which comply with section 221 of the Companies Act 1985, and for preparing Accounts which give a true and fair view of the state of affairs of the Company as at 31 December 1997 and of its result for the year then ended in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the Accounts so far as is applicable to the Company.

Approved by the Board on

17-6

1998



NOTES TO THE ACCOUNTS
for the year ended 31 December 1997

1. Accounting policies

(a) Accounts

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities.

(b) Turnover

Turnover represents invoiced fees and recovery of disbursements, net of Value Added Tax.

(c) Depreciation

Depreciation is calculated to write-off the cost of fixed assets on a straight line basis over their estimated useful life as follows:

Plant and equipment - 20% per annum.

(d) Leases

Operating lease rentals are charged to the profit and loss account as incurred. The Company has no finance leases.

(e) Stock

Stock is valued at the lower of cost and net realisable value.

(f) Cash Flow Statement

The Company has taken advantage of the exemption for small companies in Financial Reporting Standard No 1 from producing a cash flow statement.

(g) Investments

Investments are in UK listed securities and are shown at cost.

2. Staff

No pension scheme is operated by the Company.

3. Profit on ordinary activities before taxation

The profit on ordinary activities before taxation is stated after taking into account the following:

	<u>1996</u>	<u>1997</u>
Director's remuneration	£6,225	£6,300
Depreciation	£1,062	£1,472
	<u> </u>	<u> </u>

4. Other Income

Bank interest received	7,245	10,337
Other interest received	1,749	1,749
	<u> </u>	<u> </u>
	£8,994	£12,086
	<u> </u>	<u> </u>

5. Taxation

Corporation Tax mainly @ 21% (1996:24%) on profit for the year	<u>£14,248</u>	<u>£10,887</u>
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NOTES TO THE ACCOUNTS
for the year ended 31 December 1997

6. Director's Loan

The loan was advanced interest free and has no terms as to repayment.
The Director has agreed to continue to support the Company financially.

7. Fixed Assets**Plant & Equipment**

Cost at 1 January	5,310
Additions	2,053
Cost at 31 December	<u>7,363</u>
Depreciation:	
at 1 January	4,248
Charge for the year	<u>1,472</u>
Depreciation at 31 December	<u>5,720</u>
Net Book Value 31 December 1997	<u>£1,643</u>
31 December 1996	<u>£1,062</u>

8. Investments

The market value at 31 December 1997 was £23,875.

9. Capital**1996 and 1997****Authorised**

1,000 shares of £1 each

£1,000

Allotted, issued and fully paid

100 shares of £1 each

£100

10. Related Party Transactions

The Company trades from premises owned by A M Jennings, the Director and one of the major shareholders. An arm's length rental of £6,600, (1996: £6,600) is charged in these Accounts.
