

Company Registration No. 3215313 (England and Wales)

MOTEC (EUROPE) LIMITED
DIRECTOR'S REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 2001



MOTEC (EUROPE) LIMITED

COMPANY INFORMATION

Director	J. R. Bendell
Secretary	Mrs A. Mackellar
Company number	3215313
Registered office	Shenington Airfield, Shenington, Banbury, Oxon. OX15 6NZ
Auditors	Whitley Stimpson, Penrose House, 67 Hightown Road, Banbury, Oxon. OX16 9BE

MOTEC (EUROPE) LIMITED

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MOTEC (EUROPE) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 30 SEPTEMBER 2001

The director presents his report and financial statements for the year ended 30 September 2001.

Principal activities

The principal activity of the company was the importation and sale of electronic management systems.

Director

The following director has held office since 1 October 2000:

J. R. Bendell

Director's interests

The director's interest in the shares of the company was as stated below:

	Ordinary shares of £1 each	
	30 September 2001	1 October 2000
J. R. Bendell	100	100

Auditors

Following a change in the ownership of the company, Whitley Stimpson will resign as auditors with effect from 16th May 2002

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 period. In preparing those financial statements, the director is required to:

- select suitable accounting policies and then 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 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.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

By order of the board

29th April 2002

A. MacKellar

Mrs A. MacKellar

Secretary

MOTEC (EUROPE) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF MOTEC (EUROPE) LIMITED

We have audited the financial statements on pages 3 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the director and auditors

As described in the statement of director's responsibilities on page 1 the company's director is responsible for the preparation of the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the director's report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding director's remuneration and transactions with the company is not disclosed.

We read the director's report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

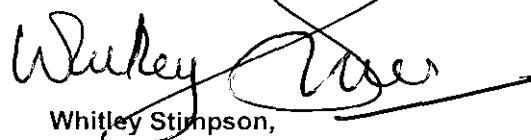
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates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

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 2001 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

30th April 2002



Whitley Stimpson,
Chartered Accountants
Registered Auditor
Penrose House,
67 Hightown Road,
Banbury, Oxon.
OX16 9BE

MOTEC (EUROPE) LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 2001

	Notes	2001 £	2000 £
Turnover		1,476,000	1,060,061
Cost of sales		(714,982)	(624,184)
Gross profit		761,018	435,877
Administrative expenses		(498,062)	(346,134)
Operating profit	2	262,956	89,743
Other interest receivable and similar income		918	228
Profit on ordinary activities before taxation		263,874	89,971
Tax on profit on ordinary activities	3	(54,579)	(17,531)
Profit on ordinary activities after taxation	9	209,295	72,440

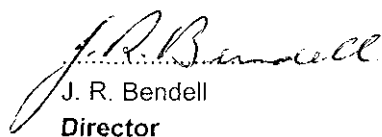
MOTEC (EUROPE) LIMITED

BALANCE SHEET AS AT 30 SEPTEMBER 2001

	Notes	2001 £	£	2000 £	£
Fixed assets					
Tangible assets	4		21,232		32,469
Current assets					
Stocks		196,884		156,166	
Debtors	5	238,616		210,739	
Cash at bank and in hand		55,819		87,900	
		<u>491,319</u>		<u>454,805</u>	
Creditors: amounts falling due within one year	6	<u>(185,629)</u>		<u>(369,647)</u>	
Net current assets			<u>305,690</u>		<u>85,158</u>
Total assets less current liabilities			<u><u>326,922</u></u>		<u><u>117,627</u></u>
Capital and reserves					
Called up share capital	8		100		100
Profit and loss account	9		326,822		117,527
Shareholders' funds			<u><u>326,922</u></u>		<u><u>117,627</u></u>

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

The financial statements were approved by the Board on 29th April 2002


J. R. Bendell
Director

MOTEC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 2001

1 Accounting policies

1.1 Accounting convention

The financial statements are prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

1.2 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Leasehold improv'mnts	10% reducing balance
Fixtures & fittings	10% reducing balance and computers at 33.33% straight line
Motor vehicles	25% reducing balance

1.4 Stock

Stock is valued at the lower of cost and net realisable value. Cost represents all direct costs and attributable overheads incurred in bringing the stocks to their present state and location.

1.5 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. All differences are taken to profit and loss account.

2	Operating profit	2001 £	2000 £
	Operating profit is stated after charging:		
	Depreciation of tangible assets	9,235	4,162
	Auditors' remuneration	1,800	1,800
		<u> </u>	<u> </u>
3	Taxation	2001 £	2000 £
	U.K. current year taxation		
	U.K. corporation tax at 20% (2000- 20%)	54,579	17,531
		<u> </u>	<u> </u>

If provision were to be made for deferred taxation on the basis of the full potential liability, the tax charge for the year would increase by £2,815 (2000- £1,500).

MOTEC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

4 Tangible fixed assets

	Land and buildings	Other tangible fixed assets	Total
	£	£	£
Cost			
As at 1 October 2000	14,382	30,007	44,389
Additions	-	12,046	12,046
Disposals	(14,382)	(8,781)	(23,163)
	<u>-</u>	<u>33,272</u>	<u>33,272</u>
As at 30 September 2001	-	33,272	33,272
Depreciation			
As at 1 October 2000	3,341	8,580	11,921
On disposals	(4,445)	(4,671)	(9,116)
Charge for the year	1,104	8,131	9,235
	<u>-</u>	<u>12,040</u>	<u>12,040</u>
As at 30 September 2001	-	12,040	12,040
Net book value			
As at 30 September 2001	-	21,232	21,232
	<u>-</u>	<u>21,232</u>	<u>21,232</u>
As at 30 September 2000	11,041	21,428	32,469
	<u>11,041</u>	<u>21,428</u>	<u>32,469</u>

5 Debtors

	2001 £	2000 £
Trade debtors	222,988	205,825
Other debtors	15,628	4,914
	<u>238,616</u>	<u>210,739</u>

6 Creditors: amounts falling due within one year

	2001 £	2000 £
Bank loans and overdrafts	-	830
Trade creditors	119,202	197,192
Taxation and social security	61,129	25,281
Other creditors	5,298	146,344
	<u>185,629</u>	<u>369,647</u>

MOTEC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

7 Pension costs

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £600 (2000- £2400). Contributions totalling £nil (2000- £nil) were payable to the fund at the year end and are included in creditors.

8 Share capital	2001 £	2000 £
Authorised		
100 Ordinary shares of £1 each	100	1,000
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100

9 Statement of movements on profit and loss account

	Profit and loss account £
Balance at 1 October 2000	117,527
Retained profit for the year	209,295
Balance at 30 September 2001	326,822

10 Contingent liabilities

As at 30th September 2001, the company had no contingent liabilities (2000 £nil).

11 Capital commitments

As at 30 September 2001, the company had no capital commitments (2000 - £nil).

12 Control

The company was controlled throughout the current and previous period by its sole director, J. R. Bendell, by virtue of his ownership of 99% of the company's issued share capital (2000 - 99%).

MOTEC (EUROPE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 SEPTEMBER 2001

13 Related party transactions

The sole director, J. R. Bendell, owns Motec Australia Pty Limited, a company which sold goods, at a commercial rate to Motec (Europe) Limited during the year for £517,130 (2000 £514,870). The amount due to Motec Australia Pty Limited at 30th September 2001 was £86,065 (2000 £168,026).

Motec Australia Pty Limited advanced the company funds during the year to cover certain overhead expenditure. The amount due to Motec Australia Pty Limited at 30th September 2001 was NIL (2000 £2,331) and is disclosed in other creditors, note 6 to the accounts.