

Report of the Directors and
Financial Statements for the Period 5 March 1997 to 31 March 1998
for
SARTECH ENGINEERING LIMITED



SARTECH ENGINEERING LIMITED

Company Information
for the Period 5 March 1997 to 31 March 1998

DIRECTORS: Mr P J Forey
Mr S A Mirza

SECRETARY: Mr P J Forey

REGISTERED OFFICE: The Beeches
Brighton Road
Lower Kingswood
Surrey
KT20 6SY

REGISTERED NUMBER: 3328421 (England and Wales)

AUDITOR: Roy Truscott
Registered Auditor &
Chartered Accountant
5 Wheatfield
Leybourne
West Malling
Kent ME19 5QB

SARTECH ENGINEERING LIMITED

Report of the Directors **for the Period 5 March 1997 to 31 March 1998**

The directors present their report with the financial statements of the company for the period 5 March 1997 to 31 March 1998.

INCORPORATION

The company was incorporated on 5 March 1997 and commenced trading on 1 April 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the provision of electronic engineering, design and marketing services.

DIRECTORS

The directors during the period under review were:

Mr P J Forey	- appointed 5.3.97
Mr S A Mirza	- appointed 5.3.97

The beneficial interests of the directors holding office on 31 March 1998 in the issued share capital of the company were as follows:

	31.3.98	at date of appointment
Ordinary £1 shares		
Mr P J Forey	600	1
Mr S A Mirza	400	-

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company law requires the directors 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 directors are 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 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 statements 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.

AUDITOR

The auditor, Roy Truscott, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

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

ON BEHALF OF THE BOARD:


.....
Mr P J Forey SECRETARY

Dated: 16/12/98

SARTECH ENGINEERING LIMITED

Report of the Auditor to the Shareholders of
SARTECH ENGINEERING LIMITED

I have audited the financial statements on pages four to eight which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities, under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditor

As described on page two the company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of opinion

I conducted my 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 statements. It also includes an assessment of the significant estimates and judgements made by the directors 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.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 March 1998 and of its profit for the period then ended and have been properly prepared in accordance with the Companies Act 1985.

Roy Truscott
Registered Auditor &
Chartered Accountant
5 Wheatfield
Leybourne
West Malling
Kent ME19 5QB



Dated: 16 December 1998

SARTECH ENGINEERING LIMITED

Profit and Loss Account
for the Period 5 March 1997 to 31 March 1998

	Notes	£
TURNOVER	2	396,945
Cost of sales		244,491
GROSS PROFIT		152,454
Administrative expenses		112,686
OPERATING PROFIT	3	39,768
Interest receivable and similar income	4	1,332
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		41,100
Tax on profit on ordinary activities	5	8,631
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		32,469
Dividends	6	8,000
RETAINED PROFIT CARRIED FORWARD		£24,469

The notes form part of these financial statements

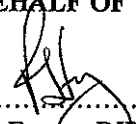
SARTECH ENGINEERING LIMITED

Balance Sheet
31 March 1998

	Notes	£	£
FIXED ASSETS:			
Tangible assets	7		12,359
CURRENT ASSETS:			
Stocks		20,701	
Debtors	8	50,223	
Cash at bank		48,193	
		119,117	
CREDITORS: Amounts falling due within one year	9	106,007	
NET CURRENT ASSETS:			13,110
TOTAL ASSETS LESS CURRENT LIABILITIES:			£25,469
CAPITAL AND RESERVES:			
Called up share capital	10		1,000
Profit and loss account			24,469
Shareholders' funds			£25,469

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.

ON BEHALF OF THE BOARD:


.....
Mr P J Forey - DIRECTOR

Approved by the Board on 16/12/98

The notes form part of these financial statements

SARTECH ENGINEERING LIMITED

Notes to the Financial Statements **for the Period 5 March 1997 to 31 March 1998**

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 25% on cost

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

	£
Depreciation - owned assets	4,120
Auditor's remuneration	1,890
	<u> </u>

Directors' emoluments and other benefits etc	43,011
	<u> </u>

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	£
Deposit account interest	1,332
	<u> </u>

5. TAXATION

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

	£
UK Corporation Tax	8,631
	<u> </u>

UK Corporation Tax has been charged at 21%.

6. DIVIDENDS

	£
Interim - Ordinary	8,000
	<u> </u>

SARTECH ENGINEERING LIMITED

Notes to the Financial Statements
for the Period 5 March 1997 to 31 March 1998

7. TANGIBLE FIXED ASSETS

	Plant and machinery etc
	£
COST:	
Additions	16,479
At 31 March 1998	16,479
DEPRECIATION:	
Charge for period	4,120
At 31 March 1998	4,120
NET BOOK VALUE:	
At 31 March 1998	12,359

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	£
Trade debtors	46,976
Other debtors	3,247
	50,223

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	£
Trade creditors	31,774
Other creditors	1,876
Directors' current accounts	58,784
Social security & other taxes	1,172
Taxation	8,631
Accruals & deferred income	3,770
	106,007

SARTECH ENGINEERING LIMITED

Notes to the Financial Statements
for the Period 5 March 1997 to 31 March 1998

10. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	£
10,000	Ordinary	£1	10,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	£
1,000	Ordinary	£1	1,000

1,000 Ordinary shares of £1 each were allotted and fully paid for cash at par during the period.

11. RELATED PARTY DISCLOSURES

The company was under the control of Mr P J Forey, a director, throughout the period. As disclosed in the Report of the Directors, Mr Forey is personally interested in 60% of the company's issued share capital.

On 1 April 1997, the company acquired the business of Sartech Electronics, of which Mr Forey was the sole proprietor, together with the business of Sartech Engineering, a partnership between Mr Forey and Mr S A Mirza. Tangible fixed assets of £16,479 were acquired from the two businesses, £14,439 from Sartech Electronics and £2,040 from Sartech Engineering.

There were no other material transactions during the period between the company and Mr Forey or members of his close family, or with entities controlled by them.