

CLASS ONE TRAFFIC MANAGEMENT LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2000

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AUDITORS' REPORT TO CLASS ONE TRAFFIC MANAGEMENT LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts set out on pages 2 to 5 together with the accounts of Class One Traffic Management Limited for the year ended 31st January 2000 prepared under section 226 of the Companies Act 1985.

Respective Responsibilities of Director and Auditors

The director is responsible for preparing the abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of Opinion

We have carried out procedures we considered necessary to confirm, by reference to the audited accounts, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the accounts.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 are properly prepared in accordance with those provisions.

Other Information

On 9th February 2000 we reported, as auditors of Class One Traffic Management Limited, to the members on the accounts prepared under section 226 of the Companies Act 1985 for the year ended 31st January 2000, and our audit report included the following paragraph:

Going Concern

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the accounts concerning the uncertainty as to the continuation and renewal of the company's bank overdraft facility. In view of the significance of this uncertainty we consider that it should be drawn to your attention but our opinion is not qualified in this respect.



Wm H Jack & Co
Chartered Accountants and Registered Auditors
21 Academy Street
Coatbridge
ML5 3AW

9th February 2000

CLASS ONE TRAFFIC MANAGEMENT LIMITED

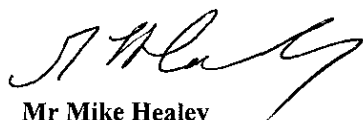
ABBREVIATED BALANCE SHEET

AS AT 31ST JANUARY 2000

	Notes	2000	1999
		£	£
Fixed Assets	2		
Tangible fixed assets		194,103	91,366
Current Assets			
Stock and work in progress		95,754	89,674
Debtors (all due within one year)		521,859	365,253
Cash at bank and in hand		89	796
		<u>617,702</u>	<u>455,723</u>
Creditors: Amounts Falling Due Within One Year		<u>402,389</u>	<u>368,235</u>
Net Current Assets		<u>215,313</u>	<u>87,488</u>
Total Assets Less Current Liabilities		<u>409,416</u>	<u>178,854</u>
Creditors: Amounts Falling Due After More Than One Year (All due within five years)		<u>85,789</u>	<u>11,721</u>
		<u><u>323,627</u></u>	<u><u>167,133</u></u>
Capital and Reserves			
Share capital	4	90,000	90,000
Profit and loss account		<u>233,627</u>	<u>77,133</u>
Shareholders' Funds		<u><u>323,627</u></u>	<u><u>167,133</u></u>

The accounts 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.

These accounts were approved by the board on 9th February 2000 and signed on its behalf.



Mr Mike Healey
Director

CLASS ONE TRAFFIC MANAGEMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2000

1 Accounting Policies

Basis of Accounting

The Accounts have been prepared under the historical cost convention, and include the results of the company's operations which are described in the directors' report and all of which are continuing.

The company has taken advantage of the exemptions in Financial Reporting Standard No. 1 from the requirement to produce a cash flow statement on the grounds that it is a small company.

The company meets its day to day working capital requirement through an overdraft facility which is repayable on demand. The nature of the company's business is such that there can be considerable unpredictable variation in the timing of cash inflows. The directors have prepared projected cash flow information for the period ending 3 months from the year end. On the basis of this cash flow information and discussions with the company's bankers, the directors consider that the company will continue to operate within the facility currently agreed. The latest overdraft facility agreement with the company's bankers was for £100,000 and expires on 5 May 2000. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis. The financial statements do not include any adjustments that would result from a withdrawal of the overdraft facility by the company's bankers.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

Depreciation

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets other than freehold land by reducing balance method or equal annual instalments over their expected useful lives. The rates and periods generally applicable are:

Freehold properties	2%	Straight line
Plant and machinery	25%	Reducing balance
Motor vehicles and boat	25%	Reducing balance
Furniture and equipment	25%	Reducing balance

Stocks

Stock and work in progress have been valued by the directors at the lower of cost or net realisable value.

Deferred Taxation

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advanced corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

Contribution to Pension Funds

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

CLASS ONE TRAFFIC MANAGEMENT LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 31ST JANUARY 2000

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the Balance Sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the Profit and Loss Account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the Profit and Loss Account on a straight line basis over the lease term.

2 Fixed Assets

	Tangible Fixed Assets	Total
	£	£
Cost		
At 1st February 1999	144,912	144,912
Additions	177,748	177,748
Disposals	(57,079)	(57,079)
At 31st January 2000	265,581	265,581
Depreciation and Amortisation		
At 1st February 1999	53,546	53,546
Charge for the year	34,204	34,204
On disposals	(16,272)	(16,272)
At 31st January 2000	71,478	71,478
Net Book Value		
At 31st January 2000	194,103	194,103
<i>At 31st January 1999</i>	<i>91,366</i>	<i>91,366</i>

Assets held under hire purchase agreements originally cost £103,344 (1999: £65,468) and have a net book value of £67,218 (1999: £37,995).

Total secured creditors amounted to £187,116 for 2000 (£115,309 for 1999).

3	Loans	2000	1999
		£	£
4	Share Capital	2000	1999
		£	£
	Authorised		
	100,000 Ordinary shares of £1.00 each	100,000	100,000
		100,000	100,000
	Allotted		
	100,000 Allotted, called up and fully paid ordinary shares of £1.00 each	90,000	90,000

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FOR THE YEAR ENDED 31ST JANUARY 2000

5	Prior Year Adjustments	2000	1999
		£	£
	Profit/Loss as previously reported	26,414	(19,356)
	Prior year adjustment	50,719	48,452
	Adjusted Profit	77,133	29,096

The prior year adjustment arose as a result of an inland revenue investigation. These adjustments were for the following items and relate to the years ended 31 January 1997 to 1999:

- 1) Casual labour is grossed up for paye and nic rather than added back for corporation tax purposes.
- 2) Adjustments made to directors loan account for disallowed items and additional charges to benefits in kind.

The previous years figures have been revised to incorporate the prior year adjustment.

6 Transactions with Director And Directors' Loans

During the year the company provided a loan to Mr Mike Healey, a director. The outstanding amounts were as follows: beginning of year: £89,312; end of year: £104,323; maximum during the year: £104,323. This amount outstanding is included within debtors due within one year.

7 Related Parties and Ultimate Controlling Party

The ultimate controlling party is Mr Mike Healey, a director.

Details of transactions with director and directors' loans are disclosed in the above note.