

NORTH DOWNS INSTRUMENT COMPANY LIMITED

FINANCIAL STATEMENTS

30TH JUNE 1994

DIRECTORS

A.D.Gordon  
Mrs J.A.Gordon

COMPANY SECRETARY

Mrs J.A.Gordon

BUSINESS ADDRESS

Wrotham Road  
Meopham  
Kent  
DA13 0QB

REGISTERED OFFICE

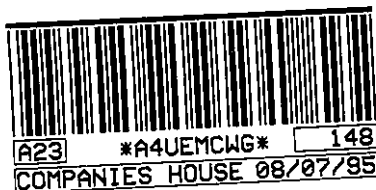
Sterling House  
165-175 Farnham Road  
Slough  
Berkshire  
SL1 4XP

BANKERS

Lloyds Bank plc  
Old Bond Street Branch  
39 Old Bond Street  
London  
W1X 4BH

AUDITORS

Haines Watts  
Sterling House  
165-175 Farnham Road  
Slough  
Berkshire  
SL1 4XP



NORTH DOWNS INSTRUMENT COMPANY LIMITED

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REPORT OF THE DIRECTORS TO THE SHAREHOLDERS OF  
NORTH DOWNS INSTRUMENT COMPANY LIMITED

The directors submit their report, together with the audited financial statements of the company for the year ended 30th June 1994.

Principal Activities

The company operated as a trader in new and used industrial instrumentation within the United Kingdom.

Directors

The directors who served throughout the period had the following interests in the share capital of the company:-

	<u>Ordinary shares of £1 each</u>	
	<u>At 30th June 1994</u>	<u>At 1st July 1993</u>
A.D.Gordon	50	50
Mrs J.A.Gordon	50	50

A.D.Gordon and Mrs J.A.Gordon also had a joint interest in 23000 Redeemable Preferred Ordinary Shares of £1 each, both at the beginning and end of the year.

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;
- \* state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- \* 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.

REPORT OF THE DIRECTORS TO THE SHAREHOLDERS OF  
NORTH DOWNS INSTRUMENT COMPANY LIMITED

Charitable Donations

During the year under review the company made charitable contributions totalling £450. No contributions were made for political purposes.

Auditors

The auditors Haines Watts are deemed to be reappointed in accordance with Section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 12th August 1991.

This report was approved by the board on 12th June 1995....., taking advantage of special exemptions available to small companies.

Signed on behalf of the board of directors

  
.....  
Director - A.D. Gordon

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF  
NORTH DOWNS INSTRUMENT COMPANY LIMITED

We have audited the financial statements on pages 4 to 10, which have been prepared under the historical cost convention and the accounting policies set out on page 6.

**Respective responsibilities of directors and auditors**

As described on page 1 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our 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.

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 30th June 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985, applicable to small companies.



Haines Watts  
Registered Auditors and  
Chartered Accountants

Slough, Berks  
27th June 1995

NORTH DOWNS INSTRUMENT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH JUNE 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
Turnover		671,522	738,204
Cost of sales		(496,335)	(540,754)
Gross profit		175,187	197,450
Net operating expenses		(190,892)	(136,103)
OPERATING (LOSS)/PROFIT	2	(15,705)	61,347
Profit on disposal of fixed assets		86,546	3,926
Interest receivable and similar income		<u>1,801</u>	<u>1,669</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST PAYABLE		72,642	66,942
Interest payable		<u>(4,102)</u>	<u>(7,291)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		68,540	59,651
Tax on profit on ordinary activities	3	<u>(34,455)</u>	<u>-</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		34,085	59,651
Accumulated profits brought forward		<u>94,201</u>	<u>34,550</u>
Accumulated profits carried forward		<u>128,286</u>	<u>94,201</u>

There were no recognised gains and losses other than those recognised in the Profit and Loss Account.

Turnover and Operating Profit derive entirely from continuing operations.


The notes set out on pages 6 to 10 form part of these financial statements


NORTH DOWNS INSTRUMENT COMPANY LIMITED

BALANCE SHEET AT 30TH JUNE 1994

	<u>Notes</u>	<u>1994</u>	<u>1993</u>
		£	£
FIXED ASSETS			
Intangible assets	4	-	-
Tangible assets	5	109,919	112,533
CURRENT ASSETS			
Stock	6	45,278	38,877
Debtors	7	179,051	151,291
Cash at bank and in hand		<u>98,194</u>	<u>66,302</u>
		322,523	256,470
CREDITORS - amounts falling due within one year	8	(281,056)	(206,718)
NET CURRENT ASSETS		<u>41,467</u>	<u>49,752</u>
Total assets less current liabilities		151,386	162,285
CREDITORS - amounts falling due after more than one year	9	-	(44,984)
NET ASSETS		<u>151,386</u>	<u>117,301</u>
CAPITAL AND RESERVES			
Called up equity share capital	10	23,100	23,100
Profit and loss account		<u>128,286</u>	<u>94,201</u>
Shareholders' funds	12	<u>151,386</u>	<u>117,301</u>

Approved by the board of directors on 12th June 1995... and signed on its behalf.  
 In preparing the company's financial statements the directors have taken advantage of special exemptions applicable to small companies conferred by Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion, the company is entitled to the exemptions as a small company.

  
 Director - A.D. Gordon

  
 Director - Mrs J.A. Gordon

The notes set out on pages 6 to 10 form part of these financial statements

NORTH DOWNS INSTRUMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 1994

1 ACCOUNTING POLICIES

(a) Basis of Preparation of Accounts

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing.

The company has taken advantage of the exemption in Financial Reporting Standard Number 1 from producing a cash flow statement on the basis that it is a small company.

(b) Depreciation

The cost of fixed assets is written off in annual instalments over their expected useful lives as follows:

Workshop	- 10% per annum reducing balance
Plant & Equipment	- 15% per annum reducing balance
Motor Vehicles	- 25% per annum reducing balance
Office Equipment	- 25% per annum reducing balance
Long Leasehold Property	- 2% per annum straight line basis

Goodwill has been amortised over five years on a straight line basis which is its estimated useful life in the business.

(c) Stock

Stock consists of bought in items, all of which are valued at the lower of cost or net realisable value. Cost approximates to invoiced cost on a FIFO basis. Provision is made where necessary for obsolescent, slow moving and defective stocks.

(d) Deferred Taxation

Deferred taxation is provided using the liability method in respect of the taxation effect of all timing differences other than those which are expected with reasonable probability to continue in the foreseeable future.

(e) Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, excluding value added tax.

(f) Pension Scheme

The company operates a defined contributions pension scheme. Contributions to the pension scheme are charged to the profit and loss account on a payable basis, and the assets of the scheme are held in a separately administered fund.



NORTH DOWNS INSTRUMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 1994

2 OPERATING PROFIT

Operating profit is stated after charging:	<u>1994</u>	<u>1993</u>
	£	£
Operating lease rentals	3,234	341
Depreciation of tangible fixed assets	17,977	37,198
Amortisation of intangible fixed assets	-	5,317
Auditor's remuneration	4,000	4,500
Directors emoluments	<u>113,459</u>	<u>59,185</u>

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

<u>U.K. Current year taxation</u>	<u>1994</u>	<u>1993</u>
	£	£
U.K. Corporation Tax based on the profit for the year at 25% (1993 - 25%)	16,555	-
Under provision in previous years	<u>17,900</u>	<u>-</u>
	<u>34,455</u>	<u>-</u>

4 INTANGIBLE ASSETS

Cost	<u>Goodwill</u>
	£
At 1st July 1993 and at 30th June 1994	<u>29,000</u>
Amortisation	
At 1st July 1993 and at 30th June 1994	<u>29,000</u>
Net book values	
At 30th June 1994	<u>-</u>
At 30th June 1993	<u>-</u>

NORTH DOWNS INSTRUMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 1994

5 TANGIBLE ASSETS

	<u>Workshop</u>	<u>Plant &amp;</u>	<u>Motor</u>	<u>Sub-Total</u>
Cost	<u>£</u>	<u>Equipment</u>	<u>Vehicles</u>	<u>£</u>
At 1st July 1993	5,822	24,010	84,752	114,584
Additions	-	-	16,541	16,541
Disposals	-	-	(25,000)	(25,000)
At 30th June 1994	<u>5,822</u>	<u>24,010</u>	<u>76,293</u>	<u>106,125</u>
Depreciation				
At 1st July 1993	3,634	13,762	40,564	57,960
Charge for the year	219	1,537	14,069	15,825
Eliminated on disposal	-	-	(20,551)	(20,551)
At 30th June 1994	<u>3,853</u>	<u>15,299</u>	<u>34,082</u>	<u>53,234</u>
Net book values				
At 30th June 1994	<u>1,969</u>	<u>8,711</u>	<u>42,211</u>	<u>52,891</u>
At 30th June 1993	<u>2,188</u>	<u>10,248</u>	<u>44,188</u>	<u>56,624</u>
	<u>Office</u>	<u>Long</u>	<u>Sub-Total</u>	<u>Total</u>
Cost	<u>Equipment</u>	<u>Leasehold</u>	<u>£</u>	<u>£</u>
At 1st July 1993	2,941	57,176	114,584	174,701
Additions	3,271	-	16,541	19,812
Disposals	-	-	(25,000)	(25,000)
At 30th June 1994	<u>6,212</u>	<u>57,176</u>	<u>106,125</u>	<u>169,513</u>
Depreciation				
At 1st July 1993	1,922	2,286	57,960	62,168
Charge for the year	1,009	1,143	15,825	17,977
Eliminated on disposal	-	-	(20,551)	(20,551)
At 30th June 1994	<u>2,931</u>	<u>3,429</u>	<u>53,234</u>	<u>59,594</u>
Net book values				
At 30th June 1994	<u>3,281</u>	<u>53,747</u>	<u>52,891</u>	<u>109,919</u>
At 30th June 1993	<u>1,019</u>	<u>54,890</u>	<u>56,624</u>	<u>112,533</u>

NORTH DOWNS INSTRUMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 1994

6	STOCK	<u>1994</u>	<u>1993</u>
		£	£
	Finished goods	<u>45,278</u>	<u>38,877</u>
7	DEBTORS	<u>1994</u>	<u>1993</u>
		£	£
	Trade debtors	125,822	141,467
	Other debtors	51,639	8,231
	Prepayments and accrued income	<u>1,590</u>	<u>1,593</u>
		<u>179,051</u>	<u>151,291</u>
8	CREDITORS - amounts falling due within one year	<u>1994</u>	<u>1993</u>
		£	£
	Bank loans and overdraft	23,953	19,787
	Loans	8,000	12,000
	Trade creditors	120,761	88,809
	Corporation tax	16,555	-
	Other taxation and social security	5,257	20,640
	Other creditors	4,429	1,405
	Directors loans	18,173	50,572
	Accruals and deferred income	<u>83,928</u>	<u>13,505</u>
		<u>281,056</u>	<u>206,718</u>
9	CREDITORS - amounts falling due after more than one year	<u>1994</u>	<u>1993</u>
		£	£
	Bank loans	-	36,984
	Loans	<u>-</u>	<u>8,000</u>
		<u>-</u>	<u>44,984</u>

The bank loan carries interest at the rate of 2% over Lloyds Bank plc base rate and was repaid in full in August 1994.

NORTH DOWNS INSTRUMENT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30TH JUNE 1994

10 CALLED UP EQUITY SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
Authorised	£	£
Ordinary shares of £1 each	2,000	2,000
Redeemable Preferred Ordinary shares of £1 each	<u>23,000</u>	<u>23,000</u>
	<u>25,000</u>	<u>25,000</u>
Allotted, called up and fully paid		
Ordinary shares of £1 each	100	100
Redeemable Preferred Ordinary shares of £1 each	<u>23,000</u>	<u>23,000</u>
	<u>23,100</u>	<u>23,100</u>

Details of redeemable shares are as follows:

Premium payable on redemption Nil

Earliest redemption date: There is no fixed redemption date

Latest redemption date : There is no fixed redemption date

Redemption of the shares is at the option of North Downs Instruments Company Limited.

11 OPERATING LEASE COMMITMENTS

The annual amounts due in respect of operating lease rentals falling due within the next twelve months are as follows:-

	<u>1994</u>		<u>1993</u>	
	Land and	Other	Land and	Other
	<u>Buildings</u>	<u>Assets</u>	<u>Buildings</u>	<u>Assets</u>
	£	£	£	£
Under contracts expiring in more than five years	<u>1,320</u>	<u>-</u>	<u>1,320</u>	<u>-</u>

12 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	<u>1994</u>	<u>1993</u>
	£	£
Profit for the year	34,085	59,651
Net additions during the year	34,085	59,651
Shareholders' funds at 1st July 1993	<u>117,301</u>	<u>57,650</u>
Shareholders' funds at 30th June 1994	<u>151,386</u>	<u>117,301</u>