

SUMIT plc
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999

Registration Number: 1462512



SUMIT plc

DIRECTORS' REPORT

The directors present their report together with the financial statements of the company for the year ended 31 March 1999.

Principal Activities and Business Review

The company was principally engaged in investment business, with its income being derived from interest, together with dividends from the shareholdings in unquoted investments held during the period. However, during the current period it has not traded.

Dividends

The directors recommend that no dividends be paid (1998:Nil).

Directors and Directors' Interests

The directors who served during the period were:-

I R Fox

C M Humpherson

The directors had no beneficial interests in the share capital of the company but had the following beneficial interests in the share capital of Wagon plc the company's ultimate parent company:-

Ordinary Shares					
	31 March 1999	Acquired	Sold		31 March 1998
C M Humpherson	5,697	7,621	5,156		3,232

Options					
	31 March 1999	Granted	Exercised	Forfeited	31 March 1998
C M Humpherson	70,585	16,272	7,621	6,533	68,467

Mr Fox is also a director of Wagon plc, the company's ultimate parent company, and his interests are disclosed in that company's financial statements.

Share Capital

On 31 March 1999, 2,409,862 ordinary shares of £1 each were allotted and issued to Wagon plc upon conversion of £2,677,625 10% convertible unsecured loan stock 2001 on the basis of 9 shares for every £10 nominal amount of fully paid loan stock converted.

SUMIT plc**DIRECTORS' REPORT**
(Continued)**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 company's state of affairs at the end of the year and profit or loss for the year then ended. 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.

Auditors

In accordance with Section 385 of the Companies Act 1985, a resolution for the reappointment of KPMG Audit Plc as auditors of the company will be proposed at the forthcoming annual general meeting.

By Order of the Board



C M Humpherson
Secretary

AUDITORS' REPORT TO THE MEMBERS OF SUMIT PLC

We have audited the financial statements on pages 4 to 9.

Respective responsibilities of directors and auditors

As described on page 2 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 31 March 1999 and its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



KPMG Audit plc
Chartered Accountants
Registered Auditor
Birmingham

2 June 1999

SUMIT plc

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1999

	Notes	Year to 31 March 1999 £'000	Year to 31 March 1998 £'000
Other operating income		13	-
Net interest payable	2	<u>(267)</u>	<u>(268)</u>
Loss on Ordinary Activities before Taxation	3	(254)	(268)
Taxation on loss on ordinary activities	4	<u>(9)</u>	<u>66</u>
Retained loss for the year	9	<u><u>(263)</u></u>	<u><u>(202)</u></u>

The movement on reserves is set out in note 9.

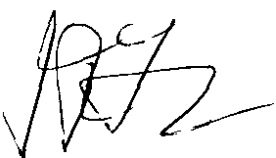
There were no recognised gains and losses for the period other than the result shown above.

There is no material difference between the loss before taxation as shown in the profit and loss account and the historical cost equivalent.

SUMIT plc**BALANCE SHEET AS AT 31 MARCH 1999**

	Notes	31 March 1999 £'000	31 March 1998 £'000
Current Assets			
Debtors	5	21,123	21,390
Creditors: Amounts falling due within one year	6	<u>(746)</u>	<u>(750)</u>
Net Current Assets		20,377	20,640
Creditors: Amounts falling due after more than one year - loan stock	7	<u>-</u>	<u>(2,678)</u>
Net Assets		<u>20,377</u>	<u>17,962</u>
Capital and Reserves:			
Called up share capital	8	9,575	7,165
Share premium account	9	609	341
Profit and loss account	9	<u>10,193</u>	<u>10,456</u>
Equity Shareholders' Funds		<u>20,377</u>	<u>17,962</u>

The financial statements on pages 4 to 9 were approved by the Board of Directors on 2 June 1999.



I R Fox
Director

SUMIT plc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

1. Accounting Policies

The financial statements set out on pages 4 to 9 comply with applicable UK Accounting Standards and are prepared under the historical cost convention, modified to include the revaluation of certain investments.

Accounting policies have been applied consistently throughout the year and the preceding year.

Consolidated Financial Statements

Consolidated Financial Statements have not been prepared for the company and its subsidiary undertakings, as the company itself is a wholly owned subsidiary and is thus not required to do so under Section 228 of the Companies Act 1985.

2. Interest payable

	Year ended 31 March 1999 £'000	Year ended 31 March 1998 £'000
Loan Stock interest	(267)	(268)
	<u>(267)</u>	<u>(268)</u>

3. Profit on Ordinary Activities before Taxation

The profit on ordinary activities before taxation is stated after charging:

	Year ended 31 March 1999 £'000	Year ended 31 March 1998 £'000
Auditors' remuneration	==	==

No fees were paid to KPMG Audit Plc for non-audit services (1998: £NIL).

SUMIT plc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

4. Taxation	Year ended 31 March 1999 £'000	Year ended 31 March 1998 £'000
Adjustment in relation to prior years	<u>9</u>	<u>(66)</u>
	<u>9</u>	<u>(66)</u>
5. Debtors	31 March 1999 £'000	31 March 1998 £'000
Amounts owed by Group undertakings	<u>21,123</u>	<u>21,390</u>
6. Creditors : Amounts falling due within one year	31 March 1999 £'000	31 March 1998 £'000
Amounts owed to group undertakings	746	737
Other creditors	-	12
Accruals	<u>-</u>	<u>1</u>
	<u>746</u>	<u>750</u>
7. Loan Stock	31 March 1999 £'000	31 March 1998 £'000
10% Convertible unsecured loan stock 2001	<u>-</u>	<u>2,678</u>

The whole of the loan stock was acquired by Wagon plc the ultimate parent undertaking, on acquisition of the company. On 31 March 1999 the whole of the issued and outstanding loan stock was converted into 2,409,862 ordinary shares of £1 each.

SUMIT plc

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1998

8. Called up Share Capital

	31 March 1999 £	31 March 1998 £
Authorised:		
Ordinary shares of £1 each	<u>14,000,000</u>	<u>14,000,000</u>
Allotted, called up and fully paid:		
Ordinary shares of £1 each	<u>9,574,999</u>	<u>7,165,137</u>

On 31 March 1999 2,409,862 ordinary shares of £1 each were issued on conversion of £2,677,625 10% convertible unsecured loan stock 2001 on the basis of 9 shares for each £10 nominal amount of fully paid loan stock converted.

9. Reserves

	Profit and Loss Account £'000	Share Premium Account £'000
As at 31 March 1998	10,456	341
Retained loss for the year	(263)	-
Share Capital issued in year	<u>-</u>	<u>268</u>
As at 31 March 1999	<u>10,193</u>	<u>609</u>

10. Movement in Shareholders' Funds

	31 March 1999 £'000	31 March 1998 £'000
Shareholders' funds at beginning of year	17,962	18,164
Loss for the financial year	(263)	(202)
Increase in issued share capital	<u>2,678</u>	<u>-</u>
Closing shareholders' funds	<u>20,377</u>	<u>17,962</u>

SUMIT plc**NOTES TO THE FINANCIAL STATEMENTS FOR THE
YEAR ENDED 31 MARCH 1999****11. Investment in Group Undertakings**

The company owns the whole of the issued share capital of SUMIT Management Services Limited and SUMI Limited. The cost of the shares in these two companies has been wholly written off in prior periods.

12. Related party disclosures

The company has taken advantage of the exemption given in Financial reporting Standard No. 8 : Related Party Disclosures, with respect to inter-group transactions as the company is a wholly owned subsidiary undertaking of a company producing consolidated financial statements.

13. Ultimate Parent Undertaking

The company's ultimate parent undertaking is Wagon plc whose registered address is 3100 Solihull Parkway, Birmingham Business Park, Birmingham B37 7YN.