
CML Group Limited

Report and Financial Statements

◆ *Year ended 30 April 1995* ◆



Company No: 1564040

CML GROUP LIMITED

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CML GROUP LIMITED

COMPANY INFORMATION

Directors J P Davis - Chairman
 I D Brodie
 J S Ellison
 D N Haden
 D G Scott
 G D Stewart

Secretary J S Ellison

Registered office PO Box 25
 South Marston Park
 Swindon
 Wiltshire
 SN3 4TR

Registered number 1564040

Auditors Robson Rhodes
 Chartered Accountants
 Centre City Tower
 7 Hill Street
 Birmingham
 B5 4UU

Bankers Midland Bank plc
 47 Eastgate Street
 Chester
 CH1 1XW

CML GROUP LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 30 April 1995.

Principal activities

The principal activities of the company in the year were precision engineering and manufacture of sub assemblies and components for the aerospace and transportation industries.

Business review and future developments

The results for the year reflect the continued decrease in demand for the principal products and services of the company within both the Precision Machining and Composite divisions. In these areas, it has again been necessary to reduce capacity and operating costs.

Whilst it is anticipated that the market will remain difficult, improvements in operating efficiency and continued emphasis on cost reduction, should enable the company to return to profitable trading.

Results and dividends

The loss on ordinary activities after taxation amounted to £658,659 (1994 - £206,415).

	£
Transfer from reserves	658,659
	<hr/>

The directors do not propose a dividend for the year (1994 - £Nil).

Fixed assets

The movement in the tangible fixed assets account is set out in Note 9 to the financial statements.

CML GROUP LIMITED

REPORT OF THE DIRECTORS (Continued)

Directors

The directors of the company are set out on page 1. P N Aplin and W P Frawley resigned on 29 September 1994. G D Stewart and D G Scott were appointed in October 1994 and December 1994 respectively. All other directors served throughout the year. The directors do not retire by rotation.

The interests of the main board directors in the shares of Intelek plc are disclosed in the financial statements of that company.

The beneficial interests of the directors and their families at 30 April 1995 and the beginning of the year in the ordinary share capital of Intelek plc, other than for main board directors are detailed below:

	Ordinary shares of 5p each					
	Beneficial		Options under Executive Scheme		Options under the Savings Related Scheme	
	1995	1994	1995	1994	1995	1994
D N Haden	-	-	15,000	15,000	-	-
D G Scott	-	-	50,000	-	-	-
G D Stewart	-	-	15,000	-	-	-

There are no non-beneficial interests.

There have been no changes in the above since the year end.

The options granted under the terms of the Executive Scheme to D N Haden are exercisable between 1995 and 2004 at a price of 25p per share. Options granted under the terms of the Executive Scheme to D G Scott are exercisable between 1998 and 2004 at a price of 17p per share. 7,500 options granted under the terms of the Executive Scheme to G D Stewart are exercisable between 1997 and 2004 at a price of 17p per share and a further 7,500 are exercisable between 1998 and 2004 at a price of 25p per share.

CML GROUP LIMITED

REPORT OF THE DIRECTORS (Continued)

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 these financial statements, the directors have:

- selected suitable accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent;
- followed applicable accounting standards; and
- prepared the financial statements on the going concern basis.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and 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

The auditors, Robson Rhodes, are willing to continue in office and are expected to be deemed to be reappointed in accordance with the elective resolution currently in force.

The report of the directors was approved by the Board on 21 August 1995 and signed on its behalf by:



J S ELLISON
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF CML GROUP LIMITED

We have audited the financial statements on pages 6 to 17 which have been prepared on the basis of the accounting policies set out on pages 8 and 9.

Respective responsibilities of directors and auditors

As described on page 4 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.

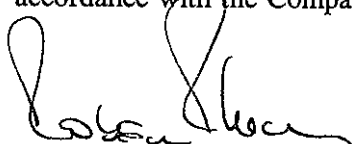
Basis of opinion

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 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 affairs of the company as at 30 April 1995 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

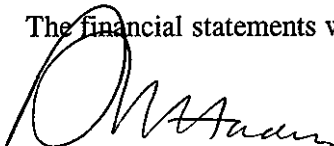
Birmingham
21 August 1995

CML GROUP LIMITED

**BALANCE SHEET
at 30 April 1995**

	Note	1995 £	1994 £
Fixed assets			
Tangible assets	9	2,301,597	2,629,775
		<hr/>	<hr/>
Current assets			
Stocks	10	1,088,565	1,216,628
Debtors	11	1,137,039	1,313,179
Cash at bank and in hand		2,368	2,443
		<hr/>	<hr/>
		2,227,972	2,532,250
Creditors: Amounts falling due within one year		<hr/> (1,999,833) <hr/>	<hr/> (1,833,488) <hr/>
Net current assets		<hr/> 228,139 <hr/>	<hr/> 698,762 <hr/>
Total assets less current liabilities		2,529,736	3,328,537
		<hr/>	<hr/>
Creditors: Amounts falling due after more than one year			
Interest free loan from parent company		(2,788,000)	(2,788,000)
Other creditors	13	(269,597)	(426,184)
Provisions for liabilities and charges	14	(96,977)	(69,300)
Deferred income	15	(10,773)	(22,005)
		<hr/>	<hr/>
Net (liabilities)/assets		<hr/> (635,611) <hr/>	<hr/> 23,048 <hr/>
Capital and reserves			
Called up share capital	16	100,000	100,000
Profit and loss account	17	(735,611)	(76,952)
		<hr/>	<hr/>
Shareholders' funds	18	<hr/> (635,611) <hr/>	<hr/> 23,048 <hr/>

The financial statements were approved by the Board on 21 August 1995 and signed on its behalf by:


D N HADEN
Director

NOTES TO THE FINANCIAL STATEMENTS

30 April 1995

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared in accordance with applicable accounting standards under the historical cost convention.

Foreign currencies

Where practicable, transactions involving foreign currencies are protected by equivalent currency borrowings or currency contracts, and recorded at the value of the sterling proceeds of such borrowings or contracts. Otherwise, assets and liabilities denominated in foreign currency are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences are recognised in the profit and loss account.

Turnover

Turnover is the amount receivable for goods and services supplied, excluding value added tax. Turnover is recognised on long term contracts as these progress and comprises the sales value of work performed in the year.

Pensions

In accordance with SSAP 24, contributions to the group defined benefit pension scheme are charged to profit on the recommendation of a qualified actuary using the defined accrued benefit method so as to spread the cost of pensions over the anticipated service lives of scheme members. Contributions to defined contribution schemes are charged to profit as they fall due.

Deferred taxation

Deferred taxation is provided under the liability method to take account of timing differences arising because of the different treatment of certain items for accounts and tax purposes where there is reasonable probability that such taxation will become payable in the foreseeable future.

Stock and work in progress

Stock and work in progress are stated at the lower of cost and net realisable value. Cost comprises direct material and labour and, where appropriate, includes attributable overheads. Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

Long-term contracts

Long-term contracts are those existing for more than 12 months and any of shorter duration which are material to the activity of the period. When the outcome of a long-term contract can be assessed with reasonable certainty, attributable profit is recognised by the sales percentage complete method. Provision is made for all foreseeable losses if a contract is assessed as unprofitable.

CML GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 1994

1. ACCOUNTING POLICIES (Continued)

Depreciation

Depreciation is provided to write down the cost of tangible fixed assets over their estimated useful lives. No depreciation is provided on freehold land. The principal annual rates used are:

Plant and fixtures	10% to 33%	straight line
Motor vehicles	25%	written down value

Leased assets

Fixed assets subject to finance leases are capitalised and depreciated in accordance with the depreciation policy stated above. The corresponding liability for the capital element is included in creditors, and the interest, calculated on the basis of the amount outstanding, is charged against profits over the period of the lease. The rental and operating lease costs of all other assets are charged against profit before interest, as incurred.

Government grants

Government capital grants are credited to a deferred income account and are transferred to the profit and loss account over the estimated life of the related asset.

2. TURNOVER

	1995 £	1994 £
United Kingdom	3,881,082	4,504,618
North and South America	9,690	4,992
	<hr/>	<hr/>
	3,890,772	4,509,610
	<hr/>	<hr/>

CML GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 1994****3. OPERATING PROFIT**

Operating profit is arrived at after charging/(crediting):

	1995	1994
	£	£
Rental income	(1,020)	(1,020)
Depreciation	507,874	519,885
Amortisation of government grants	(11,232)	(16,428)
Profit on sale of fixed assets	(1,378)	(13,483)
Operating lease rentals		
plant and machinery	42,252	63,384
land and buildings	141,500	141,500
Auditors' remuneration	9,250	9,750
Fees paid to Robson Rhodes for other services	2,000	2,650

4. INTEREST RECEIVABLE AND SIMILAR INCOME

	1995	1994
	£	£
Bank interest receivable	525	1,786

5. INTEREST PAYABLE

	1995	1994
	£	£
Interest on leased assets	42,751	72,381
Interest on loans and overdrafts repayable wholly within five years	100,503	61,413
	143,254	133,794

CML GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 1994****6. EMPLOYEES**

Average weekly number of employees, including directors:

	1995 No	1994 No
Production	79	96
Administration	14	20
	<hr/>	<hr/>
	93	116
	<hr/>	<hr/>

Staff costs, including directors:

	1995 £	1994 £
Wages and salaries	1,688,116	2,245,695
Social security costs	143,112	201,565
Other pension costs	35,817	46,051
	<hr/>	<hr/>
	1,867,045	2,493,311
	<hr/>	<hr/>

7. DIRECTORS

Emoluments of the company's directors:

	1995 £	1994 £
Emoluments	114,657	119,804
Pension contributions	3,721	5,213
Compensation for loss of office	28,011	-
	<hr/>	<hr/>
	146,389	125,017
	<hr/>	<hr/>

CML GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 1994

7. DIRECTORS (Continued)

The emoluments of the chairman were £Nil (1994 - £Nil). The emoluments of the highest paid director were £38,407 (1994 - £45,728). The emoluments of the directors, also exclusive of pension contributions, were in the following ranges:

	1995 No	1994 No
£0 - £5,000	3	3
£15,001 - £20,000	2	-
£20,001 - £25,000	2	-
£35,001 - £40,000	1	2
£45,001 - £50,000	-	1

8. TAXATION

	1995 £	1994 £
Corporation tax at 33% (1994 - 33%)	(219,812)	123,944
Deferred taxation	27,677	(64,300)
	<hr/>	<hr/>
	(192,135)	59,644
Amendment of previous years' estimates	(8,010)	(260)
	<hr/>	<hr/>
	(200,145)	59,384
	<hr/>	<hr/>

CML GROUP LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 1994****11. DEBTORS**

	1995	1994
	£	£
Trade debtors	709,325	718,454
Amounts owed by parent undertaking	141,500	141,500
Other debtors	66,741	216,611
Prepayments and accrued income	89,604	117,926
Taxation recoverable	129,869	118,688
	<hr/>	<hr/>
	1,137,039	1,313,179
	<hr/>	<hr/>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1995	1994
	£	£
Bank overdraft	981,339	536,407
Obligations under finance leases	156,583	320,028
Trade creditors	481,152	364,506
Amounts due to parent undertaking	141,500	141,500
Other taxation and social security	102,097	173,619
Other creditors	32,407	45,085
Accruals and other deferred income	104,755	252,343
	<hr/>	<hr/>
	1,999,833	1,833,488
	<hr/>	<hr/>

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	1995	1994
	£	£
Other creditors:		
Obligations under finance leases		
- due between one and two years	135,606	156,587
- due between two and five years	133,991	269,597
	<hr/>	<hr/>
	269,597	426,184
	<hr/>	<hr/>

The amounts due to group undertakings are unsecured, interest free and have no formal fixed term of repayment. The parent company has confirmed that no substantial repayment will be requested within 12 months of the balance sheet date.

CML GROUP LIMITED**NOTES TO THE FINANCIAL STATEMENTS
30 APRIL 1994****14. PROVISIONS FOR LIABILITIES AND CHARGES**

	Deferred taxation £
At 1 May 1994	69,300
Profit and loss account	27,677
	<hr/>
At 30 April 1995	96,977
	<hr/> <hr/>

Deferred taxation comprises:

	Amounts provided		Amounts not provided	
	1995	1994	1995	1994
	£	£	£	£
Capital allowances	107,580	88,770	189,273	245,460
Other timing differences	(10,603)	(19,470)	4,844	(770)
	<hr/>	<hr/>	<hr/>	<hr/>
	96,977	69,300	194,117	244,690
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

15. DEFERRED INCOME - GOVERNMENT GRANTS

	1995 £	1994 £
At 1 May 1994	22,005	38,433
Profit and loss account	(11,232)	(16,428)
	<hr/>	<hr/>
At 30 April 1995	10,773	22,005
	<hr/> <hr/>	<hr/> <hr/>

CML GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS 30 APRIL 1994

20. FINANCIAL COMMITMENTS

Capital commitments

There were no capital commitments at 30 April 1995 (1994 - £Nil).

Operating lease commitments

The annual commitments under operating leases are analysed to the period in which each lease expires, as follows:

	1995	1994
	£	£
Land and buildings, leases expiring beyond five years	141,500	141,500
Plant and machinery, leases expiring within one year	9,150	15,570
between one and five years	8,761	19,434
beyond five years	653	-
	18,564	35,004

21. PENSION SCHEME

The company is a member of a defined benefit pension scheme operated by the parent company for the benefit of employees with assets held in separately invested funds, administered by trustees.

The latest actuarial valuation of the pension scheme was prepared as at 30 September 1993. A summary of the results of this valuation is contained within the financial statements of the parent company.

22. PARENT UNDERTAKING

The ultimate parent company is Intelek plc, which is registered in England and Wales.

Its group accounts are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.