

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED
(LIMITED BY GUARANTEE)**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 1999

REGISTERED NO. 1616754



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COMPANIES HOUSE 12/06/99

**WALKER TINDLE
NEW EXCHANGE BUILDINGS
QUEENS SQUARE
MIDDLESBROUGH**

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY
LIMITED
(LIMITED BY GUARANTEE)
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999**

Directors

Cllr B S Bellerby
Cllr J Coulthard
D Fixter
G Haytor
Cllr W J R Kerr
Cllr T D Murphy
T T Pailor
Cllr P Thompson
Cllr D Walsh
Cllr Mrs M Watson
Cllr R Watts

Secretary

R G Long

Registered office

County Secretary's Department
PO Box 100A, Municipal Buildings
Middlesbrough
TS1 2QQ

Bankers

Natwest Bank
106 Linthorpe Road
Middlesbrough

Auditors

Walker Tindle
Chartered Accountants
New Exchange Buildings
Queens Square
Middlesbrough

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED
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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 1999

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**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY
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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999

The directors present the annual financial statements of the company for the year ended 31 March 1999.

Directors' responsibilities

The directors are required under company law to prepare financial statements for each financial period 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 the 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 a 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 enable them to ensure that the financial statements comply with the Companies Act 1985.

The directors are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activities and review of the business

The company aims to provide technology support and training which will help Small and Medium Enterprises (SMEs) in the Tees Valley and North East Region become more competitive.

During the reporting period technology support has been provided through the delivery of specific technology projects associated with Computer Aided Engineering, Computer Aided Drafting, Information Technology and Networking. The projects form part of an integrated package of support which are part funded from the European Structural Funds. The company has also provided both general and customised CAD/CAM training programmes to SMEs with funding from the European Social Fund (ESF). Both the Structural and Social funds are part matched with support provided from four of the local authorities in Tees Valley.

As a follow on to work of the Shop Floor Solutions project the company developed four new projects which were submitted in April 1998. These projects formed part of a Regional Package of SME technology support and will be delivered as part of the North East Technology Support (NETS) partnership. The projects were not formally approved until July 1998.

The delay presented a cash flow problem which was exacerbated when the Shop Floor Solutions project final claim was subject to a programme retention ruling resulting in a considerable delay in the final payment. In January 1999 the Board of Directors approved a plan of action which included cost cutting measures, a re-profiling of support payment and the arrangement of a bank loan. The plan was implemented in January and was successful in overcoming the short term problems. The final payment for Shop Floor Solutions was received in March 1999.

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DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999 (CONT)

The company recognise the need to continually investigate and search for additional options which will contribute to the company's success over the medium to longer term. Specific examples of business opportunities which are being developed are: the establishment of partnerships which can provide alternative sources of matched funding, support from alternative sources of funding which complement EU initiatives and increased commercial activity which includes technology support and consultancy.

Results and dividends

The results for the year are set out on page 6.

Directors

The directors who served during the year were:

Cllr B S Bellerby
Cllr M Boddy (resigned 25/5/98)
M Cottingham (resigned 4/9/98)
Cllr J Coulthard
D Fixter (appointed 10/8/98)
G Haytor
Cllr W J R Kerr
Cllr T D Murphy
T T Pailor
Cllr Mrs M Richardson (resigned 25/5/98)
Cllr G Styles (resigned 25/8/98)
Cllr P Thompson
Cllr D Walsh
Cllr Mrs M Watson (appointed 26/5/98)
Cllr R Watts (appointed 26/5/98)

Millennium

The directors are aware of the issues that may arise as a result of the millennium, with both computer systems and data-aware microchip based equipment. The directors have considered the implications of these issues and are satisfied that there will be no significant impact on the operations of the company.

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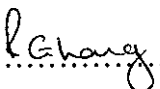
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 1999 (CONT)

Auditors

The auditors, Walker Tindle, have indicated their willingness to accept re-appointment under Section 385 of the Companies Act 1985.

The directors have taken advantage, in the preparation of their report, of the special provisions of Part VII of the Companies Act 1985 applicable to small companies.

This report was approved by the Board on25..... May..... 1999..... and is signed on its behalf by:

..........

R G Long
Secretary

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY
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**AUDITORS' REPORT TO THE MEMBERS OF CADCAM APPLICATIONS TRAINING
AND SUPPORT COMPANY LIMITED (LIMITED BY GUARANTEE)**

We have audited the financial statements on pages 6 to 12 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 8.

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.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the ability of the company to continue its operations which comprise the requirement to obtain adequate funding to finance expenditure on training and technology support.

Project funding is of a short term nature, typically two years, and as a result of the nature of the company's business, the long term financial position is uncertain, and depends upon the company continuing to be successful in obtaining funding.

The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being secured to enable projects to be undertaken. Details relating to this fundamental uncertainty are described in note 2 to the financial statements. Our opinion is not qualified in this respect.

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY
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**AUDITORS' REPORT TO THE MEMBERS OF CADCAM APPLICATIONS TRAINING
AND SUPPORT COMPANY LIMITED (LIMITED BY GUARANTEE)(CONT)**

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 of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Walker Tindle
.....

Walker Tindle
Chartered Accountants and
Registered Auditors
New Exchange Buildings
Queens Square
Middlesbrough

Date: *3rd June 1999*
.....

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED
(LIMITED BY GUARANTEE)**

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 1999

	Note	1999 £	1998 £
Turnover	3	641867	759927
Project costs		(466187)	(501589)
Surplus before charging net operating expenses		175680	258338
Net operating expenses	4	(172306)	(186177)
Operating surplus	5	3374	72161
Surplus on ordinary activities before interest		3374	72161
Interest receivable and similar income		909	2256
Interest payable and similar charges		(1557)	(48)
Surplus on ordinary activities before taxation		2726	74369
Tax on surplus on ordinary activities	6	(2037)	(17414)
Surplus on ordinary activities after taxation		689	56955
Retained surplus for the year		689	56955
Retained surplus brought forward		84637	27682
Retained surplus carried forward		85326	84637

The annexed notes form part of these financial statements.

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED
(LIMITED BY GUARANTEE)**

BALANCE SHEET AS AT 31 MARCH 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	7	26850	73854
Current assets			
Debtors	8	260093	213707
Cash at bank and in hand		32167	31651
		<u>292260</u>	<u>245358</u>
Creditors			
Amounts falling due within one year	9	<u>(233784)</u>	<u>(234575)</u>
Net current assets		58476	10783
Total assets less current liabilities		<u>85326</u>	<u>84637</u>
Creditors			
Amounts falling due after more than one year		-	-
Net assets		<u><u>85326</u></u>	<u><u>84637</u></u>
Capital and reserves			
Profit and loss account	10	<u>85326</u>	<u>84637</u>
Members' funds		<u><u>85326</u></u>	<u><u>84637</u></u>

The directors have taken advantage, in the preparation of the accounts, of the special provisions of Part VII of the Companies Act 1985 applicable to small companies and the Financial Reporting Standard for Smaller Entities (effective March 1999).

The accounts were approved by the board of directors on 25 May 1999 and are signed on its behalf by:

.....
Cllr R Watts
Director

The annexed notes form part of these financial statements.

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999**

1. Status of the company

The company is limited by guarantee. The liabilities of the members is limited to £1 each.

2. Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same financial statements.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention.

The effect of events in relation to the year ended 31 March 1999 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 March 1999 and of the results for the year ended on that date.

Going concern

The company's objectives are to provide impartial and independent advice and support to small and medium enterprises predominantly in the manufacturing and manufacturing support service sector.

The ability of the company to continue its operations is largely dependent upon the company being able to secure grants and other funding in advance and during the course of projects being undertaken.

The company has obtained funding to secure its short term future, typically two years. However, the company's long term future is dependent upon contracts for similar short term funding being renewed, or alternative sources of funding being obtained.

The directors believe that the company's track record and expertise places it in a strong position to continue to obtain such funding.

Therefore the financial statements have been drawn up on a going concern basis on the grounds that the company will be able to secure adequate funding in order to carry out future proposed projects.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Computer hardware and office equipment	- 3-7 years
Computer software	- 3 years
Fixtures and fittings	- 3 years
Plant and machinery	- 10 years

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999 (CONT)**

Taxation

The charge for taxation is based on the result for the accounting period as adjusted for disallowable items, and for timing differences arising from the recognition for tax purposes of certain items of income and expenditure in a different accounting period from that which they are recognised in the financial statements.

Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Grants

Income based grants are credited to the profit and loss account in the period to which they relate. Capital based grants are credited to the profit and loss account over the useful life of the assets to which they relate.

Leasing and hire purchase commitments

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

3. Turnover

Turnover is the total amount receivable by the company in the ordinary course of business for goods supplied and services provided excluding VAT.

4. Net operating expenses

	1999	1998
	£	£
Premises costs	413465	399343
Office costs	52587	63405
Other operating income	(293746)	(276571)
	<u>172306</u>	<u>186177</u>

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999 (CONT)**

5. Surplus on ordinary activities before taxation

Surplus on operating activities before taxation is stated after charging/(crediting):

	1999 £	1998 £
Depreciation	37923	76459
Operating lease rentals		
- Plant and machinery	1984	15456
- Land and buildings	375708	321672
Auditors remuneration	1500	3250
Directors remuneration	-	-
	<u> </u>	<u> </u>
and after crediting:		
Capital grants released	<u>3202</u>	<u>19164</u>

6. Taxation on ordinary activities

	1999 £	1998 £
Current year		
Corporation tax at 21 % (1998 - 21 %)	2037	17414
	<u>2037</u>	<u>17414</u>

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999 (CONT)**

7. Tangible fixed assets

	Computer hardware and office equipment £	Plant and machinery £	Fixtures and fittings £	Computer software £	Total £
Cost					
At 1 April 1998	169943	20761	36021	104469	331194
Additions	-	-	-	-	-
Disposals	(4395)	-	-	(4686)	(9081)
At 31 March 1999	<u>165548</u>	<u>20761</u>	<u>36021</u>	<u>99783</u>	<u>322113</u>
Depreciation					
At 1 April 1998	137982	20761	20763	77834	257340
Charge for the year	17156	-	7160	13607	37923
Elimination on disposals	-	-	-	-	-
At 31 March 1999	<u>155138</u>	<u>20761</u>	<u>27923</u>	<u>91441</u>	<u>295263</u>
Net book value					
At 31 March 1999	<u>10410</u>	<u>-</u>	<u>8098</u>	<u>8342</u>	<u>26850</u>
At 31 March 1998	<u>31961</u>	<u>-</u>	<u>15258</u>	<u>26635</u>	<u>73854</u>

8. Debtors

Amounts falling due within one year

	1999 £	1998 £
Trade debtors	74335	46926
Other taxes and social security	1357	-
Prepayments and accrued income	184401	166781
	<u>260093</u>	<u>213707</u>

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999 (CONT)**

9. Creditors

Amounts falling due within one year

	1999 £	1998 £
Trade creditors	106133	55057
Taxation and social security	9485	10260
Corporation tax payable	2037	17414
Accruals and deferred income	116129	151844
	<u>233784</u>	<u>234575</u>

10. Reserves

	1999 £
Balance at 1 April 1998	84637
Surplus for the year	689
	<u>85326</u>

11. Guarantees and other financial commitments

	1999 £	Land and buildings 1998 £
Expiry date - more than five years	325852	325852
	<u>325852</u>	<u>325852</u>

The company receives a contribution from a third party towards property rentals. The contribution received during the year was £216062 (1998: £202977). Similar contributions are expected in future years.