

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

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2000

Company No. 1616754



CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

COMPANY INFORMATION

Directors

Cllr B S Bellerby
Cllr M Boddy
Cllr G R Dunning
Mr D Fixter
Mr G Haytor
Cllr J Jones
Cllr P E Porley
Cllr B Rye
Cllr K Sainsbury
Cllr R Watts

Secretary

Mr R G Long

Company number

1616754

Registered office

Legal Services Unit
PO Box 99A
Town Hall
Middlesbrough
TS1 2QQ

Auditors

Walker Tindle
New Exchange Buildings
Queens Square
Middlesbrough
TS2 1AA

Bankers

Natwest Bank
106 Linthorpe Road
Middlesbrough
TS1 2JX

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

CONTENTS

	Page
Directors' report	1 to 2
Auditors' report	3 to 4
Profit and loss account	5
Balance sheet	6
Notes to the financial statements	7 to 9
<i>The following pages do not form part of the statutory financial statements.</i>	
Management profit and loss account	10 to 11

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2000

The directors present their report and the audited financial statements for the company for the year ended 31st March 2000.

Principal activities and review of the business

The company offers training and technology support services in the areas of Computer Aided Engineering (CAE), Computer Aided Draughting (CAD), Information Technology (IT) and Networking.

During the period, the company continued in its role of improving the competitiveness of small to medium businesses in Tees Valley and the Northern Region, in the provision of technology assistance through regional projects supported by the European Regional Development Fund (ERDF), and, CAD/CAM technology training through a programme of customised training modules supported by the European Social Fund (ESF).

The company, in partnership with the Regional Technology Centre, North East Innovation Centre and Cleveland Innovation Centre, was successful in securing funding through the Single Regeneration Budget to finance a programme of activities covering a five year period. The GENERIC programme aims to generate and embed an innovation culture in the North East by improving the receptivity of its institutions, industry and individuals to innovation and technology based change.

The company was also involved in the Regional Computer Aided Engineering (CAE) project, in partnership with the University of Teesside, University of Durham, University of Northumbria and The Regional Technology Centre. Funded through the European Social Fund, the project aims to introduce the Region's SMEs to the benefits of using 3D design tools through a scheduled programme of awareness events, workshops and training courses delivered in Tees Valley, Tyneside and Durham.

Results and dividends

The results for the year are set out in the profit and loss account on page 5.

Directors and their interests

The directors who held office during the year are listed below:

Cllr B S Bellerby
Cllr M Boddy
Cllr J Coulthard (resigned 25/5/99)
Cllr G R Dunning
Mr D Fixter
Mr G Haytor (appointed 25/5/99)
Cllr J Jones (appointed 25/5/99)
Cllr W J R Kerr (resigned 25/5/99)
Cllr T D Murphy (resigned 25/5/99)
Mr T T Pailor (resigned 19/7/99)
Cllr P E Porley (appointed 25/5/99)
Cllr B Rye (appointed 1/5/99)
Cllr K Sainsbury (appointed 25/5/99)
Cllr P Thompson (resigned 25/5/99)
Cllr D Walsh (resigned 25/5/99)
Cllr Mrs M Watson (resigned 25/5/99)
Cllr R Watts (appointed 25/5/99)

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31ST MARCH 2000

Year 2000

The operations of the business have not been affected by any matters connected with the Year 2000 issue.

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 for that year. 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;

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

Small company exemptions

This report has been prepared in accordance with the special provisions relating to small companies within part VII of the Companies Act 1985.

By order of the Board


.....

Mr R G Long, Secretary

Date: 
.....

AUDITORS' REPORT TO THE

SHAREHOLDERS OF CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

We have audited the financial statements on pages 5 to 9 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), under the historical cost convention and the accounting policies set out on pages 7 and 8.

Respective responsibilities of directors and auditors

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

AUDITORS' REPORT TO THE

SHAREHOLDERS OF CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st March 2000 and of its surplus for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



.....
Walker Tindle
Chartered Accountants and Registered Auditors
New Exchange Buildings
Queens Square
Middlesbrough
TS2 1AA

Date: 7th June 2000

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31ST MARCH 2000

	Notes	2000 £	1999 £
Turnover	3	589,621	641,867
Project costs		(434,153)	(477,562)
Surplus before charging net operating expenses		155,468	164,305
Premises costs		(386,475)	(391,684)
Administrative expenses		(54,920)	(62,993)
		(285,927)	(290,372)
Other operating income		288,390	293,746
Surplus on ordinary activities before interest	4	2,463	3,374
Interest receivable		439	909
Interest payable and similar charges		(221)	(1,557)
Surplus on ordinary activities before taxation		2,681	2,726
Tax on surplus on ordinary activities	5	-	(2,037)
Retained surplus for the financial year		2,681	689
Retained surplus brought forward		85,326	84,637
Retained surplus carried forward		88,007	85,326

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

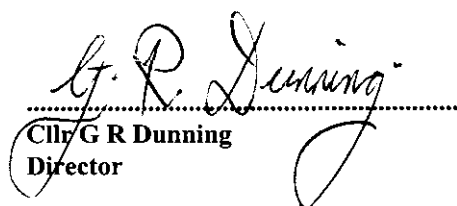
BALANCE SHEET

AS AT 31ST MARCH 2000

	Notes	£	2000 £	£	1999 £
Fixed assets					
Tangible assets	6		17,051		26,850
			<u>17,051</u>		<u>26,850</u>
Current assets					
Debtors	7	213,607		260,093	
Cash at bank and in hand		77,664		32,167	
		<u>291,271</u>		<u>292,260</u>	
Creditors: amounts falling due within one year	8	<u>(220,315)</u>		<u>(233,784)</u>	
Net current assets			<u>70,956</u>		<u>58,476</u>
Total assets less current liabilities			<u>88,007</u>		<u>85,326</u>
Capital and reserves					
Profit and loss account			88,007		85,326
Shareholders' funds			<u>88,007</u>		<u>85,326</u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the board on 30 May 2000 and signed on its behalf by:


.....
Cllr G R Dunning
Director

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2000

1 Status of the company

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

2 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

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 provided at the following rates in order to write down the cost, less estimated residual value, of all tangible fixed assets by equal annual instalments over their expected useful lives:

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

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.

Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to crystallise.

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2000

Operating leases

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.

3 Turnover

The turnover was derived from the company's principal activity which was carried out wholly in the UK.

4 Operating profit

The operating profit is stated after charging:

	2000 £	1999 £
Depreciation of tangible fixed assets:		
-owned assets	27,565	37,923
Auditors' remuneration	1,800	1,500

5 Taxation

	2000 £	1999 £
Based on the profit for the year:		
UK corporation tax	-	2,037
	-	2,037

6 Tangible fixed assets

	Plant and machinery	Fixtures and fittings	Computer software	Computer hardware and office equipment	Total
Cost	£	£	£	£	£
At 1st April 1999	20,761	36,021	99,783	165,548	322,113
Additions	-	-	2,670	15,096	17,766
At 31st March 2000	20,761	36,021	102,453	180,644	339,879
Depreciation					
At 1st April 1999	20,761	27,923	91,441	155,138	295,263
Charge for the year	-	5,364	8,697	13,504	27,565
At 31st March 2000	20,761	33,287	100,138	168,642	322,828
Net book value					
At 31st March 2000	-	2,734	2,315	12,002	17,051
<i>At 31st March 1999</i>	<i>-</i>	<i>8,098</i>	<i>8,342</i>	<i>10,410</i>	<i>26,850</i>

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST MARCH 2000

7	Debtors	2000	1999
		£	£
	Trade debtors	94,864	74,335
	Other taxes and social security	3,406	1,357
	Prepayments and accrued income	115,337	184,401
		213,607	260,093
8	Creditors: amounts falling due within one year	2000	1999
		£	£
	Trade creditors	119,361	106,133
	Accruals and deferred income	90,451	116,129
	Corporation tax	-	2,037
	Other taxes and social security	10,503	9,485
		220,315	233,784
9	Guarantees and other financial commitments	2000	1999
		£	£
	Operating leases which expire:		
	After five years	328,170	325,852
		328,170	325,852

The company receives a contribution from a third party towards property rentals. The contribution received during the year was £204,210 (1999: £216,062). Similar contributions are expected in future years.