

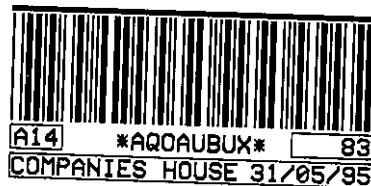
**CADCAM APPLICATIONS
TRAINING
AND SUPPORT LIMITED**

(Limited by guarantee)

Directors' report and financial statements

31 December 1994

Registered number 1616754



**CADCAM APPLICATIONS TRAINING
AND SUPPORT LIMITED**
(Limited by guarantee)

Directors' report and financial statements

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CADCAM APPLICATIONS TRAINING AND SUPPORT LIMITED

(Limited by guarantee)

Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 1994.

Principal activities

The company offers training and consultancy services in the area of computer aided design and manufacture.

Business review

In 1994 the company consolidated its role of improving the competitiveness of small to medium firms in Cleveland and the northern region. This concentration on smaller businesses led to the inclusion by the CADCAM Centre of non-computing solutions to design and manufacturing problems.

The technology providers in the region: universities, colleges and public sector companies, further improved the support mechanism created through the North East Technology Support (NETS) initiative. The CADCAM Centre's leading role in the initiative creates a strong position to support the developments flowing from the government's Business Links programme.

Concentration on technology provision to small companies necessarily means that the Centre must attract funding from European, national and local government sources. Support in 1994 was provided through the European STRIDE programme and the European Social Fund (ESF).

Developments in the new field of rapid prototyping were funded through the Integrated Development Operations Programme (IDOP) and the Centre was also commissioned to provide a technology advice service to Middlesbrough companies through the City Challenge Programme. Future support through the Stockton City Challenge and the European Regional Development Fund (ERDF) is confidently predicated.

The company operated profitably throughout the year and enters 1995 with excellent prospects and a healthy order book.

During the year the company transferred title of fixed assets relating to its divestment of Employment Training and CAD Services in 1993. The equipment cost £90,303 and had a net book value of £8,769 at the time of disposal.

Cleveland County Council provide financial support for the period to April 1996 both by a grant of £450,700 and by guarantee on the company's bank overdraft and leased conference centre equipment. This lease terminates in 1995 and the overdraft guarantee continues beyond 31 December 1995.

Significant changes in fixed assets

Movements in fixed assets are set out in note 8 to the accounts.

CADCAM APPLICATIONS TRAINING AND SUPPORT LIMITED (Limited by guarantee)

Directors' report *(continued)*

Directors and directors; interest

The directors who held office during the year were as follows:

County Councillor A A Carter
County Councillor D R Rigg
County Councillor M Taylor
County Councillor J Coulthard
County Councillor J M Kay
County Councillor A J Featherstone
Mr J E Gibbon
Mr O Searle (resigned 8 June 1994)
County Councillor D Walsh

Statement of directors' responsibilities for preparing accounts

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:

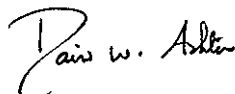
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets and to prevent and detect fraud and other irregularities.

Auditors

On 6 February 1995 our auditors changed the name under which practise to KPMG and accordingly, have signed their report in their new name. In accordance with Section 385 of the Companies Act 1985, a resolution for the re-appointment of KPMG as auditors of the company, is to be proposed at the forthcoming Annual General Meeting.

By order of the board



D Ashton
Secretary

County Secretary's Department
PO Box 100A
Municipal Buildings
Middlesbrough
TS1 2QH
30 March 1995



Teesside Office
Northgate House
St Augustines Way
Darlington
DL1 1UZ

Report of the auditors to the members of CADCAM Applications Training and Support Ltd

We have audited the financial statements on pages 4 to 11 in accordance with Auditing Standards.

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 at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

KPMG
*Chartered Accountants
Registered Auditors*

30 March 1995

CADCAM APPLICATIONS TRAINING AND SUPPORT LIMITED

(Limited by guarantee)

Profit and loss account

for the year ended 31 December 1994

	Note	1994 £	1993 £
Turnover			
Grants	4	609,940	620,531
Non grant income	4	213,760	321,733
		<hr/> 823,700	<hr/> 942,264
Direct costs		(23,380)	(53,789)
Staff costs			
Salaries	6	284,658	368,324
Consultancy		8,345	5,438
Recruitment and training		2,309	896
		<hr/> (295,312)	<hr/> (374,658)
Depreciation		(68,771)	(74,589)
Other operating charges			
Building costs		214,191	204,600
Systems costs		49,690	65,843
Running costs		82,990	60,472
		<hr/> (346,871)	<hr/> (330,915)
Interest payable and similar charges	7	(28,876)	(43,525)
Profit for the financial year	5	<hr/> 60,490	<hr/> 64,788
Accumulated loss brought forward		(309,097)	(373,885)
Accumulated loss carried forward		<hr/> (248,607)	<hr/> (309,097)

The company has no other recognised gains or losses other than the profit or loss for the period.

The profit for the year arises wholly from continuing operations. An analysis of the profit for 1993 is disclosed in note 3 to the accounts.

CADCAM APPLICATIONS TRAINING AND SUPPORT LIMITED (Limited by guarantee)

Balance sheet at 31 December 1994

	Note	1994		1993	
		£	£	£	£
Fixed assets					
Tangible assets	8		134,758		194,542
Current assets					
Debtors	9	163,668		161,126	
Cash at bank and in hand		150		100	
		<u>163,818</u>		<u>161,226</u>	
Creditors: amounts falling due within one year	10	(547,183)		(627,755)	
Net current liabilities			<u>(383,365)</u>		<u>(466,529)</u>
Total assets less current liabilities			<u>(248,607)</u>		<u>(271,987)</u>
Creditors: amounts falling due after more than one year	11		-		(37,110)
Net liabilities			<u>(248,607)</u>		<u>(309,097)</u>
Capital and reserves					
Profit and loss account			(248,607)		(309,097)
			<u>(248,607)</u>		<u>(309,097)</u>

These financial statements were approved by the board of directors on 30 March 1995 and were signed on its behalf by:

M Taylor
Director

Mureen Taylor

CADCAM APPLICATIONS TRAINING AND SUPPORT LIMITED

(Limited by guarantee)

Notes

1 Status of the company

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

2 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

Basis of preparation

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

Fixed assets and depreciation

Depreciation is provided by the company to write off the cost or valuation less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

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

Leases

Assets obtained under finance leases are recorded in the balance sheet as fixed assets and depreciated over their estimated useful life. Future rental obligations are included within creditors. Finance charges are charged to the profit and loss account over the primary period of the lease.

Expenditure on operating leases is charged to the profit and loss account in the period the expenditure is incurred.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

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.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers during the year.

CADCAM APPLICATIONS TRAINING AND SUPPORT LIMITED

(Limited by guarantee)

Notes (continued)

3 Discontinued operations

On 31 March 1993 CAD Services and Employment Training were divested.

The comparative results reflecting these divestments for the year to 31 December 1993 are:

	Continuing operations	Discontinued operations	As restated Total
	£	£	£
Turnover			
Grants	620,531	-	620,531
Non grant income	237,461	84,272	321,733
	<u>857,992</u>	<u>84,272</u>	<u>942,264</u>
Direct costs	<u>(45,643)</u>	<u>(8,146)</u>	<u>(53,789)</u>
Staff costs			
Salaries	289,298	79,026	368,324
Consultancy	6,635	-	6,635
Recruitment and training	896	-	896
	<u>(296,829)</u>	<u>(79,026)</u>	<u>(375,855)</u>
Depreciation	<u>(74,589)</u>	<u>-</u>	<u>(74,589)</u>
Other operating charges			
Building costs	199,181	5,419	204,600
Systems costs	65,150	693	65,843
Running costs	56,449	2,826	59,275
	<u>(320,780)</u>	<u>(8,938)</u>	<u>(329,718)</u>
Interest payable and similar charges	<u>(39,987)</u>	<u>(3,538)</u>	<u>(43,525)</u>
Profit for the year	<u>80,164</u>	<u>(15,376)</u>	<u>64,788</u>

4 Analysis of turnover and profit on ordinary activities before taxation

All turnover and profit before taxation is derived from the company's principal activities.

CADCAM APPLICATIONS TRAINING AND SUPPORT LIMITED

(Limited by guarantee)

Notes (continued)

5 Profit on ordinary activities before taxation

	1994 £	1993 £
Profit on ordinary activities before taxation is stated		
after charging		
Auditors' remuneration	5,000	5,250
Depreciation and other amounts written off tangible fixed assets		
- owned	47,884	48,478
- leased	20,887	26,111
Capital grants released	17,996	51,613
Operating lease rentals	24,081	49,138
Loss on disposal of fixed assets	20,642	-
	<hr/>	<hr/>

6 Staff numbers and costs

The average number of persons employed by the company (including directors) during the year, analysed by category, was as follows:

	Number of employees	
	1994	1993
Technical	7	12
Marketing	1	2
Administration	9	9
	<hr/>	<hr/>
	17	23
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	1994 £	1993 £
Wages and salaries	260,200	337,307
Social security costs	24,458	31,017
	<hr/>	<hr/>
	284,658	368,324
	<hr/>	<hr/>

The directors received no remuneration during the year.

CADCAM APPLICATIONS TRAINING AND SUPPORT LIMITED

(Limited by guarantee)

Notes (continued)

7 Interest payable and similar charges

	1994 £	1993 £
Bank interest	23,058	31,047
Finance charges payable in respect of finance leases and hire purchase contracts	5,818	12,478
	<u>28,876</u>	<u>43,525</u>

8 Tangible fixed assets

	Computer hardware & office equipment	Computer software	Fixtures & fittings	Total
	£	£	£	£
Cost				
At beginning of year	593,134	100,802	61,099	755,035
Additions	19,195	11,835	-	31,030
Disposals	(128,880)	(20,931)	(6,757)	(156,568)
At end of year	<u>483,449</u>	<u>91,706</u>	<u>54,342</u>	<u>629,497</u>
Depreciation				
At beginning of year	445,859	84,486	30,149	560,494
Charge for year	46,696	14,332	7,743	68,771
On disposals	(113,425)	(18,723)	(2,378)	(134,526)
At end of year	<u>379,130</u>	<u>80,095</u>	<u>35,514</u>	<u>494,739</u>
Net book value				
At 31 December 1994	<u>104,319</u>	<u>11,611</u>	<u>18,828</u>	<u>134,758</u>
At 31 December 1993	<u>147,275</u>	<u>16,316</u>	<u>30,951</u>	<u>194,542</u>

Included in the total net book value of tangible assets is £71,449 (1993: £104,443) in respect of assets acquired under finance leases. Depreciation for the year on these assets was £17,860 (1993: £26,111).

CADCAM APPLICATIONS TRAINING AND SUPPORT LIMITED

(Limited by guarantee)

Notes (continued)

9 Debtors

	1994 £	1993 £
Trade debtors	60,282	40,561
Other debtors	39,238	67,288
Prepayments and accrued income	64,148	53,277
	<u>163,668</u>	<u>161,126</u>

10 Creditors: amounts falling due within one year

	1994 £	£	1993 £	£
Bank loans and overdrafts	393,189		419,479	
Obligations under finance leases	29,172		45,264	
Trade creditors	52,640		86,556	
Other creditors including taxation and social security:				
Other taxes and social security	7,423		9,063	
Other creditors	17,757		8,157	
	<u>25,180</u>		<u>17,220</u>	
Accruals and deferred income	47,002		59,236	
	<u>547,183</u>		<u>627,755</u>	

Included in accruals and deferred income is £7,550 (1993: £17,998) in respect of capital based grants which will be released to revenue in the next year.

Bank borrowings are secured by a guarantee in the sum of £400,000 given by Cleveland County Council and by a fixed and floating charge over the company's assets.

CADCAM APPLICATIONS TRAINING AND SUPPORT LIMITED

(Limited by guarantee)

Notes (continued)

11 Creditors: amounts falling due after more than one year

	1994 £	1993 £
Obligations under finance leases and hire purchase contracts	-	29,560
Accruals and deferred income	-	7,550
	<hr/>	<hr/>
	-	37,110
	<hr/>	<hr/>

12 Lease commitments

Annual commitments under non-cancellable operating leases are as follows:

	1994 £	1993 £
Operating leases which expire:		
Within one year	6,775	36
In the second to fifth years inclusive	73,856	38,790
	<hr/>	<hr/>
	80,631	38,826
	<hr/>	<hr/>