

7551/7

Registrar's Copy

Company No

1971947
~~1971949~~

LMW ELECTRONICS LIMITED

Annual Report

Year ended 31 December 1994

PANNELL KERR FORSTER

CHARTERED ACCOUNTANTS

Pannell House

159 Charles Street

LEICESTER LE1 1LD



**PANNELL
KERR
FORSTER**
CHARTERED ACCOUNTANTS

LMW ELECTRONICS LIMITED
ABBREVIATED ACCOUNTS
YEAR ENDED 31 DECEMBER 1994

CONTENTS

Page	1	AUDITORS' REPORT
	3	ABBREVIATED BALANCE SHEET
	4	NOTES TO THE ABBREVIATED ACCOUNTS

AUDITORS' REPORT TO LMW ELECTRONICS LIMITED

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 3 to 5 together with the full financial statements of LMW Electronics Limited prepared for shareholders for the year ended 31 December 1994.

RESPECTIVE RESPONSIBILITIES OF THE SOLE DIRECTOR AND AUDITORS

The director is responsible for preparing the abbreviated accounts in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the director's statement on page 3 and whether the abbreviated accounts have been properly prepared in accordance with that Schedule.

BASIS OF OPINION

We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

OPINION

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act in respect of the year ended 31 December 1994 and the abbreviated accounts on pages 3 to 5 have been properly prepared in accordance with that Schedule.

OTHER INFORMATION

On 25 September 1995 we reported, as auditors of LMW Electronics Limited to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31 December 1994, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 9 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of the sole director and auditors

As described on page 2 the company's director is 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.

AUDITORS' REPORT TO LMW ELECTRONICS LIMITED (Continued)

PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985

Basis of opinion

We conducted our audit in accordance with Auditing Standards. 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 director 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 affairs of the company as at 31 December 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.'



PANNELL KERR FORSTER

Chartered Accountants

Registered Auditors

Leicester

25 September 1995

LMW ELECTRONICS LIMITED
 ABBREVIATED BALANCE SHEET
 31 DECEMBER 1994

3

	Note	£	1994	£	£	1993	£
FIXED ASSETS							
Tangible assets	2			172,092			171,087
CURRENT ASSETS							
Stocks		45,931			50,120		
Debtors	3	50,456			74,408		
Cash at bank and in hand		11,367			162		
			107,754		124,690		
CREDITORS - Amounts falling due within one year	4	83,637			102,964		
NET CURRENT ASSETS				24,117			21,726
TOTAL ASSETS LESS CURRENT LIABILITIES				196,209			192,813
CREDITORS - Amounts falling due after more than one year	4	91,438			100,006		
PROVISIONS FOR LIABILITIES AND CHARGES							
Deferred taxation		5,166		96,604	2,485		102,491
NET ASSETS				99,605			90,322
CAPITAL AND RESERVES							
Called up share capital	5			100			100
Profit and loss account				99,505			90,222
EQUITY SHAREHOLDERS' FUNDS				99,605			90,322

I have relied on Sections 246 and 247 of the Companies Act 1985 as entitling me to deliver abbreviated accounts on the grounds that the company is entitled to benefit from the exemptions conferred by Part III Section A of Schedule 8 to the Companies Act 1985 as a small company.

On the same grounds, advantage has been taken in the preparation of the financial statements of the special exemptions conferred by Part I of Schedule 8 to that Act.

Approved by the sole director on 22 September 1995



C. M. SMITH
 Director

1 ACCOUNTING POLICIES

These financial statements are prepared under the historical cost convention.

The principal accounting policies adopted in their preparation are as follows:

1.1 Tangible fixed assets and depreciation

Tangible fixed assets are depreciated by equal annual instalments over their anticipated useful lives on the following bases:

Plant and machinery	20%
Fixtures and fittings	15%
Motor vehicles	25%

1.2 Stocks

Stocks are stated at the lower of cost (first in, first out) and net realisable value.

Cost comprises the direct cost of acquisition and all overheads attributable to location and condition.

Net realisable value is the estimated selling price reduced by all costs of completion, marketing and selling.

1.3 Hire purchase and operating lease agreements

Tangible fixed assets which are the subject of hire purchase agreements are capitalised on the basis of actual cost. Instalments payable under each agreement are apportioned between capital and revenue to write off the finance charge in equal amounts over the period of the agreement. Rentals under operating lease agreements are charged to revenue as they fall due.

1.4 Research and development

Expenditure on research and development is written off in the year that it is incurred except where the expenditure relates to a specific, identifiable project. In the latter case it is charged against the specific project.

2 TANGIBLE FIXED ASSETS

Cost	£
At 1 January 1994	181,393
Additions	9,769
At 31 December 1994	<u>191,162</u>
Depreciation	
At 1 January 1994	10,306
Charge for year	8,764
At 31 December 1994	<u>19,070</u>
Net book amount	
At 1 January 1994	<u>171,087</u>
At 31 December 1994	<u>172,092</u>

3 DEBTORS

All fall due within one year.

4 CREDITORS

The bank loan of £94,801 (1993 £100,000) is secured by a fixed charge over the company's freehold property and is repayable by instalments to 2004 at a fixed rate of interest of 11.5%. The amount of the loan repayable after five years is £54,667 (1993 £65,201).

Other creditors include hire purchase instalments of £6,361 (1993 £6,842) due within one year and £2,157 (1993 £4,442) due between two and five years which are secured on the relevant assets.

5 SHARE CAPITAL

There has been no change during the year.

	<u>Authorised</u> £	<u>Allotted and fully paid</u> £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>