

NON DESTRUCTIVE INSPECTION SERVICES LIMITED

Directors:

P R G Howarth

E G Bugler

Secretary and Registered Office:

Mrs H M Howarth, Unit 18, Crawley Mill Industrial Estate, Witney, Oxon., OX8 5TJ

**REPORT OF THE DIRECTORS
for the year ended 31st December 1994**

Principal Activity

The principal activity of the company is that of non destructive testing.

Directors

The above named served as directors throughout the year and their shareholdings during the year have been as follows:

	Ordinary shares of £1 each	
	31st December 1994	31st December 1993
P R G Howarth	49	49
E G Bugler	49	49

. Auditors

The company is exempt from a statutory audit following exemptions introduced for small companies.

This report has been prepared taking advantage of certain exemptions available to small companies.

By Order of the Board

Secretary



Crawley, Witney

24th May 1995



**ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON
THE UNAUDITED ACCOUNTS**

We report on the accounts for the year ended 31st December 1994 as set out on pages 3 to 9.

Respective Responsibilities of the Directors and Reporting Accountants

As described on page 4, the company's directors are responsible for the preparation of the accounts and they consider that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion


Basis of Opinion

Our work was conducted in accordance with the Statement of Standards for Reporting Accountants and so our procedures consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purpose of this report. These procedures provide only the assurance expressed in our opinion.

Opinion

In our opinion:

- a) the accounts are in agreement with the accounting records kept by the company under Section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records:
 - i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in Section 249C(6) of the Act; and
 - ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in Section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in Section 249B(1).


Chartered Accountants
and Reporting Accountants

A J Carter & Co
22b High Street
WITNEY
Oxon
OX8 6HB

24th May 1995

PROFIT AND LOSS ACCOUNT for the year ended 31st December 1994		1993
Notes	£	£
2. TURNOVER	212,080	204,613
Administrative expenses	<u>225,156</u>	<u>152,623</u>
3. OPERATING (LOSS)/PROFIT	(13,076)	51,990
Other income - Grants received	3,000	2,300
- Interest received	273	-
Interest payable - Bank overdraft	<u>(176)</u>	<u>(205)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	(9,979)	54,085
4. TAXATION	<u>2,479</u>	<u>(13,570)</u>
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	(7,500)	40,515
DIVIDENDS PAID	<u>-</u>	<u>(17,500)</u>
(LOSS)/PROFIT retained for the year	(7,500)	23,015
RETAINED PROFIT brought forward	<u>28,012</u>	<u>4,997</u>
RETAINED PROFIT carried forward	<u>£20,512</u>	<u>£28,012</u>

There were no recognised gains or losses other than those included in the profit and loss account.

The notes on pages 5 to 8 form part of these financial statements.

BALANCE SHEET

Notes

31st December 1994

1993

£

£

£

FIXED ASSETS

5. Tangible assets

46,263

26,520

CURRENT ASSETS

6. Bank balances
Debtors and prepayments

-

12,775

65,47463,104

65,474

75,879

7. CREDITORS - Amounts falling
due within one year

86,05368,845

NET CURRENT (LIABILITIES)/ASSETS

(20,579)7,034TOTAL ASSETS LESS CURRENT
LIABILITIES

25,684

33,554

CREDITORS - Amounts falling due after
after more than one year

Hire purchase (secured)

(3,440)

(3,969)

PROVISIONS FOR LIABILITIES
AND CHARGES

4. Deferred taxation

(1,632)(1,473)£20,612£28,112

CAPITAL AND RESERVES

8. Called up share capital
Profit and loss account
9. Shareholders' funds

100

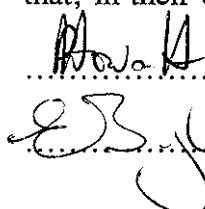
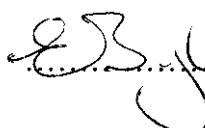
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20,51228,012£20,612£28,112

In approving these financial statements as directors of the company, we hereby confirm:

- a) that for the year in question, the company was entitled to the exemption conferred by Section 249A(2) of the Companies Act 1985;
- b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 31st December 1994; and
- c) that we acknowledge our responsibilities for:
 - i) ensuring that the company keeps accounting records which comply with Section 221, and
 - ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its results for the financial year in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act 1985 relating to accounts, so far as applicable to the company.

In preparing these accounts, the directors have taken advantage of the special exemptions applicable to small companies conferred by Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company qualifies as a small company.


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Directors

Approved by the Board

24th May 1995

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The notes on pages 5 to 8 form part of these financial statements.

NON DESTRUCTIVE INSPECTION SERVICES LIMITED
NOTES TO THE ACCOUNTS
for the year ended 31st December 1994

5.

1. Accounting Policies

i) Accounting Convention -

The accounts of the company are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors' report and which is continuing.

ii) Cash Flow Statement -

The company qualifies as a small company within the meaning of Section 247 of the Companies Act 1985 and is therefore exempted from the requirement to prepare a cash flow statement in accordance with Financial Reporting Standard 1.

iii) Depreciation -

Depreciation of tangible fixed assets is provided on a straight line basis, calculated at annual rates estimated to write off each asset over the term of its useful life. The rates in use are as follows:

Motor vehicles	- 25% per annum
Plant and equipment	- 20% per annum

iv) Work in Progress -

Work in progress is valued at the lower of cost and net realisable value after making due allowance for any obsolete or slow moving items. In the case of work in progress, cost comprises direct materials, direct labour and an appropriate proportion of manufacturing fixed and variable overheads, according to the stage of completion reached.

v) Deferred Taxation -

The company provides deferred taxation at the rate of 25% under the liability method on a full provision basis to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for corporation tax purposes. The major timing difference involved is the excess of capital allowances claimed over the charge for depreciation on the relevant assets.

NOTES TO THE ACCOUNTS
for the year ended 31st December 1994 (continued)

1. **Accounting Policies (continued)**

vi) **Hire Purchase**

Assets acquired under hire purchase contracts are capitalised as fixed assets and depreciated accordingly. The related obligations are included in creditors net of finance charges. The finance charges are included in the profit and loss account on the straight line basis over the length of the agreement.

vii) **Turnover -**

The turnover represents sales and charges for work done exclusive of VAT for goods and services supplied to customers during the year.

2. **Turnover**

The turnover and profit before taxation is attributable to the one principal activity of the company. The turnover all arose from the United Kingdom.

3. **Operating Profit**

The operating profit is after charging:	1994 £	1993 £
Depreciation of tangible fixed assets		
- owned	8,981	4,826
- under hire purchase agreements	3,016	515
Profit on disposal of motor vehicle	(69)	-
Directors' remuneration	33,169	32,693
Auditors' remuneration	-	1,200
Directors pension contributions	15,000	10,000
Hire purchase charges	762	123

4. **Taxation**

	1994 £	1993 £
a) Charge for the year		
Corporation tax - current year	(2,638)	12,990
Deferred tax	<u>159</u>	<u>580</u>
	<u>£2,479</u>	<u>£13,570</u>

- b) Corporation tax has been provided for at the rate of 25% based on the results for the year.

NOTES TO THE ACCOUNTS
for the year ended 31st December 1994 (continued)

4.	Taxation (continued)	1994	1993
		£	£
c)	Deferred tax		
	Brought forward	1,473	893
	Charge for the year	<u>159</u>	<u>580</u>
	Carried forward	<u>£1,632</u>	<u>£1,473</u>

5. **Tangible Fixed Assets**

	Improvements to leasehold property	Motor vehicles	Equipment	Office Equipment	Total
Cost	£	£	£	£	£
At 1.1.94	598	13,115	20,596	-	34,309
Additions	1,445	5,100	24,276	1,200	32,021
Disposals	-	(500)	-	-	(500)
At 31.12.94	<u>2,043</u>	<u>17,715</u>	<u>44,872</u>	<u>1,200</u>	<u>65,830</u>

Accumulated Depreciation

At 1.1.94	-	2,217	5,572	-	7,789
Charge for the year	-	4,110	7,596	291	11,997
Disposals	-	(219)	-	-	(219)
At 31.12.94	<u>-</u>	<u>6,108</u>	<u>13,168</u>	<u>291</u>	<u>19,567</u>

Net Book Value

At 31.12.94	<u>£2,043</u>	<u>£11,607</u>	<u>£31,704</u>	<u>£909</u>	<u>£46,263</u>
At 31.12.93	<u>£598</u>	<u>£10,898</u>	<u>£15,024</u>	<u>£ -</u>	<u>£26,520</u>

Included in the above net book values are the following amounts relating to assets held under hire purchase agreements:

Motor vehicles £9,809

NOTES TO THE ACCOUNTS
for the year ended 31st December 1994 (continued)

6.	Debtors and Prepayments	1994	1993
		£	£
	Trade debtors	62,836	62,984
	Prepayments	-	120
	Corporation tax	<u>2,638</u>	<u>-</u>
		<u>£65,474</u>	<u>£63,104</u>
7.	Creditors: Amounts falling due within one year	1994	1993
		£	£
	Trade creditors	27,738	8,369
	Hire purchase (secured)	3,680	2,268
	Bank overdraft (secured)	18,151	-
	Corporation tax	-	12,990
	Directors' current accounts	20,535	31,028
	Social Security and other taxes	13,934	12,480
	Accruals	<u>2,015</u>	<u>1,710</u>
		<u>£86,053</u>	<u>£68,845</u>
8.	Called up Share Capital	1994	1993
		£	£
	Authorised:		
	100 Ordinary shares of £1 each	100	100
	Allotted, Issued and Fully paid:		
	100 Ordinary shares of £1 each	100	100
9.	Reconciliation of movement in shareholders' funds	1994	1993
		£	£
	(Loss)/Profit for the year	(7,500)	40,515
	Dividend	<u>-</u>	<u>(17,500)</u>
	Net reduction/additions in year	(7,500)	23,015
	Shareholders' funds at 1st January 1994	<u>28,112</u>	<u>5,097</u>
	Shareholders' funds at 31st December 1994	<u>£20,612</u>	<u>£28,112</u>
10.	Other Commitments		
	At 31st December 1994 the company had annual commitments under non cancellable operating leases as follows:		
	Land and buildings	1994	1993
	Between two and five years	<u>£5,425</u>	<u>£4,022</u>