

Customflex Limited  
ABBREVIATED FINANCIAL STATEMENTS  
31st August 1996

Registered number: 2496956

Downham Morris Mayer & Co  
Registered Auditors



Customflex Limited

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31st August 1996

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## Customflex Limited

## AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

Auditors' report to  
Customflex Limited  
pursuant to paragraph 24 of Schedule 8  
to the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31st August 1996.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing the abbreviated financial statements 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 directors' statement on page 2 and whether the abbreviated financial statements 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 financial statements 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 31st August 1996, and the abbreviated financial statements on pages 2 to 5 have been properly prepared in accordance with that Schedule.

**Other information**

On 7th March 1997 we reported, as auditors of the company, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31st August 1996, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, 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.

continued .....

## Customflex Limited

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS  
(continued)

Auditors' report to  
Customflex Limited  
pursuant to paragraph 24 of Schedule 8  
to the Companies Act 1985

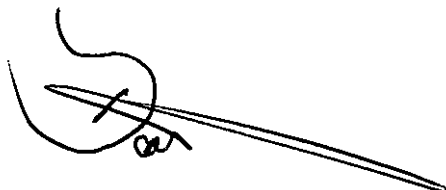
**Basis of opinion**

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 error or other irregularity. 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 as at 31st August 1996 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.'



Downham Morris Mayer & Co  
Registered Auditors  
45/49 Greek Street  
Stockport  
Cheshire SK3 8AX

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## Customflex Limited


## ABBREVIATED BALANCE SHEET

at 31st August 1996

	Note	1996 £	1995 £
<b>Fixed assets</b>			
Intangible assets	2	11618	23238
Tangible assets	2	109756	68496
		<u>121374</u>	<u>91734</u>
<b>Current assets</b>			
Stocks and work in progress		157269	166692
Debtors	3	45298	71377
Cash in hand		1	-
		<u>202568</u>	<u>238069</u>
Creditors: amounts becoming due and payable within one year		(165261)	(120784)
<b>Net current assets</b>		<u>37307</u>	<u>117285</u>
<b>Total assets less current liabilities</b>		<u>158681</u>	<u>209019</u>
Creditors: amounts becoming due and payable after more than one year	4	(1773)	(7108)
		<u>156908</u>	<u>201911</u>
<b>Capital and reserves</b>			
Called up share capital	5	194500	194500
<b>Reserves</b>			
Profit and loss account		(37592)	7411
<b>Total shareholders' funds</b>		<u>156908</u>	<u>201911</u>

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors.

  
M. Bullivant  
Director

Date 27.5.97

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st August 1996

**1 Accounting policies****Basis of accounting**

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

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

**Depreciation**

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

On written down value	%
Motor vehicles	25
Plant and machinery	15
Fixtures and fittings	15
On cost	
Jigs and tools	20
Instruments	20

**Leases and hire purchase contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability. The costs of operating leases are charged to the profit and loss account as they accrue.

**Stocks and work in progress**

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

**Deferred taxation**

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

**Research and development**

Product development costs incurred have been capitalised and are written off to the profit and loss account over a five year period.

**Grants**

Grants have been credited to the profit and loss account when received.

## Customflex Limited

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st August 1996

## 2 Fixed assets

Cost or valuation	Intangible fixed assets £	Tangible fixed assets £	Total £
1st September 1995	23238	135079	158317
Transfer from stock	-	87500	87500
Additions	-	19457	19457
	<u>23238</u>	<u>242036</u>	<u>265274</u>
31st August 1996	<u>23238</u>	<u>242036</u>	<u>265274</u>
<b>Depreciation</b>			
1st September 1995	-	66583	66583
Transfer from stock	-	32968	32968
Charge for year	11620	32729	44349
	<u>11620</u>	<u>132280</u>	<u>143900</u>
31st August 1996	<u>11620</u>	<u>132280</u>	<u>143900</u>
<b>Net book amount</b>			
31st August 1996	<u>11618</u>	<u>109756</u>	<u>121374</u>
1st September 1995	<u>23238</u>	<u>68496</u>	<u>91734</u>

## 3 Debtors

	1996 £	1995 £
Amounts falling due within one year	<u>45298</u>	<u>71377</u>

## 4 Creditors: amounts becoming due and payable after more than one year

	1996 £	1995 £
<b>Obligations under finance leases and hire purchase contracts:</b>		
In the next year	(5335)	(6100)
In the second to fifth year	(1773)	(7108)
	<u>(7108)</u>	<u>(13208)</u>

## NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31st August 1996

## 5 Called up share capital

	1996		1995	
	Number of shares	£	Number of shares	£
<b>Equity capital</b>				
(A) Ordinary Shares				
Authorised	5000	5000	5000	5000
Issued and fully paid	5000	5000	5000	5000
<b>Non equity capital</b>				
(b) Cumulative redeemable preference shares				
Authorised, issued and fully paid	186000	186000	186000	186000
(c) Cumulative convertible participating preferred ordinary shares				
Authorised, issued and fully paid	3500	3500	3500	3500
	<u>194500</u>	<u>194500</u>	<u>194500</u>	<u>194500</u>