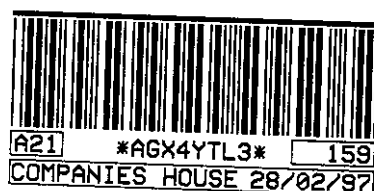


**SFS STRADA LIMITED**

**REGISTERED NUMBER: 02577292**

**ABBREVIATED FINANCIAL STATEMENTS**

**YEAR ENDED 30 APRIL 1996**



## **SFS STRADA LIMITED**

### **AUDITORS' REPORT TO THE DIRECTORS OF SFS STRADA LIMITED PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985.**

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We have examined the abbreviated financial statements on pages 3 to 6 together with the full financial statements of SFS Strada Limited prepared under section 226 of the Companies Act 1985 for the year ended 30 April 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 3 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.

#### **OTHER INFORMATION**

On 10 December 1996 we reported, as auditors of SFS Strada Limited, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30 April 1996, and our audit report was as follows:

"We have audited the financial statements on pages 6 to 12 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.

#### **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.

**SFS STRADA LIMITED**

**AUDITORS' REPORT TO THE DIRECTORS OF SFS STRADA LIMITED  
PURSUANT TO PARAGRAPH 24 OF SCHEDULE 8 TO THE COMPANIES ACT 1985.**

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(Full text of the audit report to the members of SFS Strada Limited - continued)

**Fundamental uncertainty**

The company incurred a loss after taxation of £30,254 during the year ended 30 April 1996 and at that date its liabilities exceeded its assets by £321,378. These factors indicate that the company may be unable to continue trading.

As set out in the notes to the financial statements, the company's fellow group undertakings have confirmed that they will continue to provide financial support to the company. The financial statements do not include any adjustments that would result from a failure to obtain this support. 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 30 April 1996 and of its loss for the year ended on that date and have been properly prepared in accordance with the Companies Act, 1985."

**OPINION ON THE ABBREVIATED FINANCIAL STATEMENTS**

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 30 April 1996 and the abbreviated financial statements on pages 3 to 6 have been properly prepared in accordance with that Schedule.

*Horwath Bastow Charleton*

Horwath Bastow Charleton  
Chartered Accountants  
and Registered Auditors,  
Marine House,  
Clanwilliam Court,  
Dublin 2.

Date: 10 December 1996



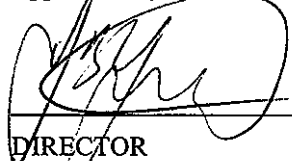
**SFS STRADA LIMITED**

**ABBREVIATED BALANCE SHEET AS AT 30 APRIL 1996**

	Note	1996 £	1995 £
<b>FIXED ASSETS</b>			
Tangible assets	2	165,718	178,054
<b>CURRENT ASSETS</b>			
Stocks		24,774	30,580
Debtors		139,275	121,900
Cash at bank and in hand		73	249
		164,122	152,729
CREDITORS (Amounts falling due within one year)		(299,233)	(409,603)
<b>NET CURRENT LIABILITIES</b>		(135,111)	(256,874)
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		30,607	(78,820)
CREDITORS (Amounts falling due after more than one year)		(341,661)	(201,980)
<b>PROVISIONS FOR LIABILITIES AND CHARGES</b>		(10,324)	(10,324)
<b>TOTAL NET LIABILITIES</b>		(321,378)	(291,124)
<b>CAPITAL AND RESERVES</b>			
Called up share capital	3	2	2
Profit and loss account - (deficit)		(321,380)	(291,126)
<b>SHAREHOLDERS' FUNDS - (DEFICIT)</b>		(321,378)	(291,124)

Advantage is taken of the exemptions conferred by section A of Part III of Schedule 8 to the Companies Act 1985. In the directors' opinion, the company is entitled to those exemptions having met the qualifications for a small company specified in sections 246 and 247 of the Companies Act 1985.

Approved by the board of directors on 10 December 1996 and signed on its behalf by:

  
 \_\_\_\_\_  
 DIRECTOR

The notes on pages 4 to 6 form part of these accounts.

## **SFS STRADA LIMITED**

### **NOTES TO AND FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 APRIL 1996**

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#### **1. ACCOUNTING POLICIES**

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

##### **1.1 BASIS OF ACCOUNTING**

The financial statements are prepared under the historical cost convention.

##### **1.2 TURNOVER**

Turnover represents the invoiced amount of goods sold, net of trade discounts and value added tax.

##### **1.3 TANGIBLE FIXED ASSETS AND DEPRECIATION**

Tangible fixed assets are stated in the balance sheet at cost less accumulated depreciation.

Provision is made for depreciation on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life at the following annual rates:

Leasehold improvements	20%
Plant and machinery	20-30%
Fixtures and fittings	20%
Motor vehicles	25%

##### **1.4 STOCKS**

Stocks are stated at the lower of the cost and net realisable value.

Cost includes all expenditure which has been incurred in the normal course of business in bringing the products to their present location and condition.

Net realisable value is the actual or estimated selling price net of trade discounts, less all further cost to completion and all costs to be incurred in realising the selling price.

##### **1.5 FOREIGN CURRENCIES**

Monetary assets and liabilities denominated in a foreign currency are translated into pounds Sterling at the exchange rate ruling at the balance sheet date, unless specifically covered by forward exchange contracts, whereupon the contract rate is used. Revenues, costs and non monetary assets are translated at the exchange rates ruling at the dates of the transactions.

All foreign exchange profits or losses are dealt with through the profit and loss account.

##### **1.6 DEFERRED TAXATION**

Deferred taxation is provided on timing differences to the extent that it is expected to become payable in the foreseeable future.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements.

**SFS STRADA LIMITED**

**NOTES TO AND FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS  
CONTINUED**

**2. TANGIBLE FIXED ASSETS**

	Leasehold Improvements £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Total £
<b>COST</b>					
At 1 May 1995	3,130	220,869	7,441	41,761	273,201
Additions	-	45,443	1,075	-	46,518
Disposals	-	(1,947)	-	(11,656)	(13,603)
At 30 April 1996	<u>3,130</u>	<u>264,365</u>	<u>8,516</u>	<u>30,105</u>	<u>306,116</u>
<b>DEPRECIATION</b>					
At 1 May 1995	2,556	79,841	1,275	11,475	95,147
Charge for the year	574	40,753	1,445	8,876	51,648
Disposals	-	(389)	-	(6,008)	(6,397)
At 30 April 1996	<u>3,130</u>	<u>120,205</u>	<u>2,720</u>	<u>14,343</u>	<u>140,398</u>
<b>NET BOOK VALUE</b>					
At 30 April 1996	<u>-</u>	<u>144,160</u>	<u>5,796</u>	<u>15,762</u>	<u>165,718</u>
At 30 April 1995	<u>574</u>	<u>141,028</u>	<u>6,166</u>	<u>30,286</u>	<u>178,054</u>

**3. CALLED UP SHARE CAPITAL**

	1996 £	1995 £
Ordinary shares of £1 each:		
Authorised	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid	<u>2</u>	<u>2</u>

## SFS STRADA LIMITED

### NOTES TO AND FORMING PART OF THE ABBREVIATED FINANCIAL STATEMENTS CONTINUED

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#### 4. DETAILS OF INDEBTEDNESS

The bank loans and overdraft are repayable as follows:

	1996 £	1995 £
Within one year		
- otherwise than by instalment	33,177	41,163
- by instalment	84,924	-
Between one and two years		
- by instalment	84,924	-
Between two to five years		
- by instalment	254,772	201,980
After five years		
- by instalment	1,965	-
	<u>459,762</u>	<u>243,143</u>

The Midland Bank overdraft facilities, amounting to £33,177 at 30 April 1996, are secured by way of multilateral guarantees from the company and fellow group undertakings together with a second fixed and floating charge over the assets of the company.

The Bank of Ireland loan facility, amounting to £426,585 at 30 April 1996, is secured by way of guarantees and debentures from the company and fellow group undertakings.

#### 5. GROUP STRUCTURE AND OTHER INFORMATION

The company is a wholly owned subsidiary of Hobs (Drawing Office Services) Limited, a company registered in England.

Vesontio Limited, a company incorporated in the Republic of Ireland, is the ultimate holding company.

#### 6. CONTINUED FINANCIAL SUPPORT

The company has received confirmation that continued financial support will be forthcoming from its fellow group undertakings for the foreseeable future. In view of the foregoing, the financial statements are prepared on a going concern basis.