

Relectronic-Remech Ltd
Abbreviated Financial Statements
30th September 1996
Registered number: 2585109



Wenn Townsend
Chartered Accountants
Oxfordshire

Relectronic-Remech Ltd

Auditors' Report on Abbreviated Financial Statements

**Auditors' report to
Relectronic-Remech Ltd
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985**

We have examined the abbreviated financial statements on pages 2 to 6 together with the financial statements of Relectronic-Remech Ltd prepared under section 226 of the Companies Act 1985 for the year ended 30th September 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 30th September 1996, and the abbreviated financial statements on pages 2 to 6 have been properly prepared in accordance with that Schedule.

Other information

On 28th November 1996 we reported, as auditors of Relectronic-Remech Ltd, to the members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 30th September 1996, and our audit report was as follows:

'We have audited the financial statements on pages 4 to 11 which have been prepared under the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described on page 1, 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

Relectronic-Remech Ltd

Auditors' Report on Abbreviated Financial Statements
(continued)

Auditors' report to
Relectronic-Remech Ltd
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 30th September 1996 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.'

Wenn Townsend

Wenn Townsend

Chartered Accountants and Registered Auditors

Oxford

28th November 1996

WENN TOWNSEND

Relectronic-Remech Ltd

Abbreviated Balance Sheet

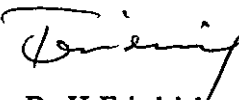
at 30th September 1996

	Note		1995
Fixed assets			
Tangible assets	2	280,349	246,478
Current assets			
Stocks		107,295	141,620
Debtors	3	1,291,853	942,382
Cash at bank and in hand		2,215	11,222
		<u>1,401,363</u>	<u>1,095,224</u>
Creditors: amounts falling due within one year	4	<u>(899,275)</u>	<u>(724,700)</u>
Net current assets		<u>502,088</u>	<u>370,524</u>
Total assets less current liabilities		<u>782,437</u>	<u>617,002</u>
Creditors: amounts falling due after more than one year	4	<u>(456,548)</u>	<u>(408,843)</u>
		<u>£ 325,889</u>	<u>£ 208,159</u>
Capital and reserves			
Called up share capital	5	156,000	156,000
Profit and loss account		169,889	52,159
Total shareholders' funds		<u>£ 325,889</u>	<u>£ 208,159</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.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 2 to 6 were approved by the board of directors on 28th November 1996.


Dr H Friedrich
Chairman

Notes on Abbreviated Financial Statements

30th September 1996

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

Cash flow statement

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 over their estimated useful lives as follows:

Leasehold land and buildings	Equal instalments over the lease term
Plant and machinery	20% straight line
Office furniture, fittings and Vehicles	33.3% straight line

Profits or losses arising on the disposal of fixed assets are adjusted in the depreciation charge for the year.

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.

Rentals paid under operating leases are charged to income as incurred.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making allowance for obsolete and slow moving items. Cost includes all direct expenditure and, where applicable, an appropriate proportion of variable and fixed overheads.

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

Pensions

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

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.

Relectronic-Remech Ltd

Notes on Abbreviated Financial Statements

30th September 1996

2 Fixed assets

Cost or valuation	Tangible fixed assets £
At 1st October 1995	433,630
Additions	191,221
Disposals	(20,840)
At 30th September 1996	£ 604,011
Depreciation	
At 1st October 1995	187,152
Charge for year	143,688
Disposals	(7,178)
At 30th September 1996	£ 323,662
Net book amount	
At 30th September 1996	£ 280,349
At 1st October 1995	£ 246,478

3 Debtors

Included in debtors is an amount of £29,432 (1995: £18,720) recoverable after one year.

4 Creditors

	1996	1995
Included in creditors are secured amounts totalling	£ 108,610	£ 94,991

Relectronic-Remech Ltd
Notes on Abbreviated Financial Statements
30th September 1996

5 Called up share capital

	1996	1995
Authorised		
180,000 ordinary shares of £1 each	£ 180,000	£ 180,000
	<u> </u>	<u> </u>
Allotted called up and fully paid		
156,000 ordinary shares of £1 each	£ 156,000	£ 156,000
	<u> </u>	<u> </u>