

Company No. 2708733

VDC Trading Limited
Abbreviated Accounts
for the year ended 31st July 2002

BLUEPRINT AUDIT LIMITED
CHORLEY



VDC Trading Limited

Company Information

Chairman	N Holden
Directors	N Holden D Guthrie
Secretary	S Holden
Company number	2708733
Registered office	VDC House 4 Brandon Road London N7 9AA
Auditors	Blueprint Audit Limited Sumner House St Thomas's Road Chorley Lancashire PR7 1HP

VDC Trading Limited

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VDC Trading Limited

Directors' Report

for the year ended 31st July 2002

The directors present their report and the audited financial statements for the company for the year ended 31st July 2002.

Statement of directors' responsibilities

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss for that year. In preparing those financial statements the directors are required to:

Select suitable accounting policies and then apply them consistently;

Make judgements and estimates that are reasonable and prudent; and

Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose, with reasonable accuracy at any time, the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Principal activity

The company's principal activity during the year was the supply of electrical components.

Results

The results for the year are set out in the profit and loss account on page 4.

The directors plan to continue with the management policies which have led to the satisfactory result achieved in the year.

Dividends

The directors do not recommend a final dividend.

Directors and their interests

The directors who served during the year and their interests in the share capital of the company were as follows:

Name of director	Share type	At 31st July 2002	At 1st August 2001
N Holden	Ordinary £1 shares	-	100
D Guthrie	Ordinary £1 shares	-	-

The company is a wholly-owned subsidiary of VDC Holdings Limited and the interests in shares of Mr N Holden who is a director of that company are disclosed in its directors' report.

Mr N Holden transferred his interest in the shares of VDC Trading Limited on 14th December 2001 to VDC Limited. VDC Limited transferred its shareholding in the company on 8th February 2002 to NS Limited. On 18 March 2002 NS Limited was liquidated and its shareholding in the company transferred to VDC Holdings Limited.

VDC Trading Limited

Directors' Report

for the year ended 31st July 2002

Auditors

In accordance with Section 26 of the Companies Act 1989, Blueprint Audit Limited will be proposed for reappointment at the Annual General Meeting in accordance with Section 385 of the Companies Act 1985.

By order of the Board

A handwritten signature in black ink, appearing to be 'S Holden', with a long horizontal flourish extending to the right.

S Holden, Secretary

Date: 14th February 2003

Independent Auditors' report to VDC Trading Limited

Under Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on pages 4 to 12 together with the financial statements of VDC Trading Limited for the year ended 31st July 2002 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts have been properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated accounts prepared in accordance with section 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 4 to 12 are properly prepared in accordance with that provision.

Blueprint Audit Limited

**Blueprint Audit Limited
Registered Auditor
Sumner House
St Thomas's Road
Chorley
Lancashire
PR7 1HP
Date: 14th February 2003**

VDC Trading Limited
Abbreviated Profit and Loss Account
for the year ended 31st July 2002

	Notes	2002 £	2001 £
Gross profit		1,848,346	1,860,405
Distribution costs		(51,486)	(76,335)
Administrative expenses - normal		(1,486,435)	(1,348,089)
Administrative expenses - exceptional	3	(575,998)	-
Operating loss/profit	2	(265,573)	435,981
Interest receivable	5	46,112	13,448
Interest payable and similar charges	6	(4,715)	(18,777)
(Loss)/profit on ordinary activities before taxation		(224,176)	430,652
Tax on (loss)/profit on ordinary activities	7	(87,944)	(117,362)
(Loss)/profit for the financial year after taxation		(312,120)	313,290
Dividends	8	(100)	-
Retained (loss)/profit for the year transferred to reserves	21	(312,220)	313,290

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

VDC Trading Limited
Abbreviated Balance Sheet
as at 31st July 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Fixed assets					
Tangible assets	9		146,464		674,750
Investments	10		4		4
			<u>146,468</u>		<u>674,754</u>
Current assets					
Stocks	12	795,489		854,875	
Debtors	13	1,013,871		1,087,967	
Cash at bank and in hand		985,547		820,876	
		<u>2,794,907</u>		<u>2,763,718</u>	
Creditors: amounts falling due within one year	15	<u>(1,382,378)</u>		<u>(1,386,812)</u>	
Net current assets			<u>1,412,529</u>		<u>1,376,906</u>
Total assets less current liabilities			<u>1,558,997</u>		<u>2,051,660</u>
Creditors: amounts falling due after more than one year	16		-		(134,896)
Provisions for liabilities and charges					
Deferred taxation	19		(7,749)		(53,296)
			<u>1,551,248</u>		<u>1,863,468</u>
Capital and reserves					
Share capital	20		100		100
Share premium account	21		6,172		6,172
Capital redemption reserve	21		10		10
Profit and loss account	21		1,544,966		1,857,186
Equity shareholders' funds			<u>1,551,248</u>		<u>1,863,468</u>

The abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These financial statements were approved by the board on 14th February 2003 and signed on its behalf by:

N Holden
Director

VDC Trading Limited
Notes to the Abbreviated Accounts
for the year ended 31st July 2002

I Accounting policies

Accounting convention

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

Turnover

Turnover represents the invoiced amount of goods sold less returns and allowances, excluding value added tax.

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation.

Depreciation is calculated to write down the cost, less estimated residual value, of all tangible fixed assets over their expected useful lives. The principal annual rates and methods used are:

Freehold buildings/leasehold property improvements	2% straight line
Leasehold properties	10% straight line
Motor vehicles	25% reducing balance
Fixtures and fittings	25% reducing balance

Fixed asset investments

Investments are included at cost.

Stocks

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

Deferred taxation

Deferred taxation is calculated under the liability method at the appropriate rate of tax in respect of all timing differences between profits as computed for tax purposes and profits as stated in the financial statements.

The company has adopted FRS 19 'Deferred Taxation', which requires full provision for all timing differences. Adoption of FRS 19 has not had a material effect on the results of the current or previous year, nor has it had a material effect on the balance sheets at the year end or the previous year end.

Pension Costs

Pension costs are recognised on a systematic basis over the period that the company benefits from the services of the employees who are members of the pension scheme.

VDC Trading Limited
Notes to the Abbreviated Accounts
for the year ended 31st July 2002

2 Operating loss

<i>The operating loss is stated after charging:</i>	2002	2001
	£	£
Depreciation of tangible fixed assets:		
-owned assets	37,094	41,136
Auditors' remuneration	6,750	6,420
(Profit)/loss on the transfer/sale of fixed assets	(10,466)	5,521

3 Directors and employees

Staff costs, including directors' remuneration, were as follows:

	2002	2001
	£	£
Wages and salaries	1,338,736	1,350,439
Social security costs	151,574	131,679
Other pension costs	-	1,269
	<u>1,490,310</u>	<u>1,483,387</u>

The average monthly number of employees, including directors, during the year was as follows:

	2002	2001
	Number	Number
Administration	6	7
Management	2	2
Production	24	22
Selling and distribution	10	7
	<u>42</u>	<u>38</u>

Directors' emoluments

	2002	2001
	£	£
Aggregate emoluments	<u>542,479</u>	<u>590,244</u>

Highest paid director

	2002	2001
	£	£
Aggregate emoluments	<u>490,044</u>	<u>493,246</u>

4 Pension scheme

The company operates a defined contribution pension scheme for the benefit of the employees. The assets of the scheme are administered by trustees in a fund independent from those of the company.

The total contributions paid in the year amounted to £Nil (2001: £1,269).

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 2002

5	Interest receivable	2002	2001
		£	£
	Bank interest receivable	46,112	13,448
6	Interest payable and similar charges	2002	2001
		£	£
	Interest payable on bank loan and overdraft	4,715	18,084
	Hire purchase interest	-	693
		4,715	18,777
7	Taxation	2002	2001
		£	£
	Based on the (loss)/profit for the year:		
	U.K. Corporation tax at 30% (2001: 30%)	133,491	172,100
	Deferred tax charge	(45,547)	(54,704)
		87,944	117,396
	Prior periods		
	UK corporation tax	-	(34)
		87,944	117,362

The current tax assessed for the year is lower than tax on the (loss)/profit for the year at the standard rate of tax applicable to the company of 30%. The difference is explained below.

	2002	2001
	£	£
(Loss)/profit on ordinary activities before taxation	(224,176)	430,652
Tax on the profit before tax at the standard rate of corporation tax in the UK of 30% (2001: 30%)	(67,253)	129,196
Tax effect of:		
Expenses not deductible for tax purposes	162,453	4,409
Capital allowances for the year in excess of depreciation	(2,168)	-
Marginal relief	(7,255)	(21,790)
Other short term timing differences	47,714	60,285
Adjustments to the tax charge in respect of prior years	-	(34)
Current tax charge for the year	133,491	172,066

8	Dividends	2002	2001
		£	£
	Equity dividends		
	Ordinary dividends - paid at £1 per share (2001: £nil per share)	100	-

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 2002

9 Tangible fixed assets

	Freehold land and properties	Leasehold improvements	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£	£
At 1st August 2001	623,312	-	28,063	199,171	850,546
Additions	-	43,979	-	36,461	80,440
Adjustment on transfer	(6,000)	-	-	-	(6,000)
Transfer to fellow group undertaking	(617,312)	-	-	-	(617,312)
At 31st July 2002	-	43,979	28,063	235,632	307,674
Depreciation					
At 1st August 2001	51,680	-	17,266	106,850	175,796
Charge for the year	-	2,199	2,700	32,195	37,094
Adjustment on transfer	(10,466)	-	-	-	(10,466)
Transfer to fellow group undertaking	(41,214)	-	-	-	(41,214)
At 31st July 2002	-	2,199	19,966	139,045	161,210
Net book value					
At 31st July 2002	-	41,780	8,097	96,587	146,464
<i>At 31st July 2001</i>	<i>571,632</i>	<i>-</i>	<i>10,797</i>	<i>92,321</i>	<i>674,750</i>

10 Fixed asset investments

	Shares in group undertakings £
Cost and Net book value	
At 1st August 2001 and at 31st July 2002	<u>4</u>

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 2002

11 Shares in group undertakings

The company holds more than 20% of the share capital of the following:

Name of company	Details of investment s	Proportion held by company	Nature of business
Van Damme Cable Art Limited	Ordinary shares	100%	Dormant
VDC EBT Limited	Ordinary shares	100%	Dormant

The capital and reserves and profit or loss for the subsidiary undertakings at 31st October 2001 and 31st July 2002 respectively were as follows :

	Profit/(loss) for the year		Capital and reserves	
	2002	2001	2002	2001
	£	£	£	£
Van Damme Cable Art Limited	-	-	2	2
VDC EBT Limited	-	-	2	2

12 Stocks

	2002	2001
	£	£
Raw materials	795,489	854,875

13 Debtors

	2002	2001
	£	£
Trade debtors	957,610	938,090
Prepayments	56,261	149,877
	1,013,871	1,087,967

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 2002

14 Employee Benefit trust

Cash at bank and in hand includes £Nil (2001: £159,050) which is held in trust for the beneficiaries of the Employee Benefit Trust.

15 Creditors: amounts falling due within one year

	2002	2001
	£	£
Bank loan and overdraft	-	57,040
Trade creditors	709,880	761,367
Amounts owed to related undertaking	68,750	-
Other creditors	5,918	4,954
Accruals	120,150	39,300
Corporation tax	133,491	172,100
Other taxes and social security	343,589	350,631
Directors' current accounts	600	1,420
	<u>1,382,378</u>	<u>1,386,812</u>

16 Creditors: amounts falling due after more than one year

	2002	2001
	£	£
Bank loan	-	134,896

17 Obligations under hire purchase contracts

	2002	2001
	£	£

Obligations under hire purchase contracts are analysed between amounts payable:

Obligations under hire purchase contracts are secured on the assets concerned.

18 Loans and borrowings

	2002	2001
	£	£

Analysis of loan and overdraft

Bank loans and overdraft	-	191,936
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Maturity of debt

In one year or less, or on demand	-	57,040
In more than one year, but not more than two years	-	38,019
In more than two years, but not more than five years	-	96,877
	<u>-</u>	<u>191,936</u>

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 2002

19 Deferred taxation

The movements in deferred taxation during the current and previous years are as follows:

	2002 £	2001 £
At 1st August 2001	53,296	108,000
Movement in the year	(45,547)	(54,704)
At 31st July 2002	<u>7,749</u>	<u>53,296</u>

Deferred taxation provided for in the financial statements is set out below. The amount unprovided represents a contingent liability at the balance sheet date and is calculated using a tax rate of 30% (2001: 30%).

	Amount provided	
	2002 £	2001 £
Accelerated capital allowances	7,749	5,581
Short term timing differences	-	47,715
	<u>7,749</u>	<u>53,296</u>

20 Share capital

Authorised Equity shares

1,000 Ordinary shares of £1 each

2002 £	2001 £
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<u>1,000</u>	<u>1,000</u>
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Allotted Equity shares

100 Allotted, called up and fully paid ordinary shares of £1 each

<u>100</u>	<u>100</u>
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21 Share Premium Account and Reserves

	Share premium account £	Capital redemption reserve £	Profit and loss account £
At 1st August 2001	6,172	10	1,857,186
Loss for the year	-	-	(312,220)
At 31st July 2002	<u>6,172</u>	<u>10</u>	<u>1,544,966</u>