
VDC Trading Limited
Abbreviated Accounts
for the year ended 31st July 1999

LATHAMS
CHARTERED ACCOUNTANTS
CHORLEY



VDC Trading Limited

Company Information

Company No: 2708733

Chairman	N Holden
Directors	N Holden E McGonagle
Secretary	N Holden
Registered Office	VDC House 4 Brandon Road London N7 9AA
Auditors	Lathams Sumner House St. Thomas's Road Chorley PR7 1HP

VDC Trading Limited

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VDC Trading Limited

Directors' Report

for the year ended 31st July 1999

The directors submit their report together with the abbreviated accounts for the year ended 31st July 1999.

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 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 to enable them to ensure 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.

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £344,292. After deducting taxation, the profit of £272,083 has been transferred to reserves.

The directors do not recommend payment of a dividend.

Principal Activity and Business Review

The principal activity of the company continued to be the supply of electrical components.

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

Directors and their Interests

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

	Ordinary shares of £1 each	
	31st July 1999	1st August 1998
	No.	No.
N Holden	100	100
E McGonagle	-	-

VDC Trading Limited

Directors' Report

for the year ended 31st July 1999

Year 2000

It is well known that many computers and digital storage systems express dates using only the last two digits of the year and will thus require modification or replacement to accommodate the Year 2000 and beyond in order to avoid malfunctions and resulting widespread commercial disruption. This is a complex and pervasive issue. The operation of our business depends not only on our own computer systems, but also to some degree on those of our suppliers and customers. This could expose us to further risk in the event that there is a failure by other parties to remedy their own Year 2000 issues.

The directors have begun a full review of the company's systems to assess the likely extent of the impact of the Year 2000 issue on the company, and the risks that it faces. Priority will be given to those systems which would have a significant financial or legal impact on the company's business if they were to fail. The directors are also considering the impact on our business of Year 2000 related failures by our significant suppliers and customers.

Given the complexity of the problem, it is not possible for any organisation to guarantee that no Year 2000 problems will remain, because at least some level of failure may still occur. However, the Board believes that it will achieve an acceptable state of readiness and has also provided resources to deal promptly with significant subsequent failures or issues that might arise.

It is anticipated that no further expenditure will be necessary in respect of modifications to the company's computer hardware and software.

Auditors

The Auditors, Lathams (formerly Latham Crossley & Davis), Chartered Accountants, who were appointed during the year, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:


N. Holden, Secretary

Date:  15/11/99.

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 13 together with the full financial statements of VDC Trading Limited for the year ended 31st July 1999 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of the 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 the procedures we consider necessary to confirm, by reference to the full financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered are 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 13 have been properly prepared in accordance with that provision.

Latham

Lathams
Registered Auditors and
Chartered Accountants

Sumner House
St. Thomas's Road
Chorley
PR7 1HP

Date: 15 November 1999

VDC Trading Limited
Abbreviated Profit and Loss Account
for the year ended 31st July 1999

	Notes	1999 £	1998 £
Gross profit		1,303,820	1,137,887
Distribution costs		(49,464)	(21,805)
Administrative expenses		(906,571)	(515,451)
Other operating income		11,318	-
Operating profit	2	359,103	600,631
Interest receivable		9,670	4,298
Interest payable	4	(24,481)	(28,084)
Profit on ordinary activities before taxation		344,292	576,845
Tax on profit on ordinary activities	5	(72,209)	(160,850)
Profit on ordinary activities after taxation		272,083	415,995
Dividends	6	-	(50,000)
Retained profit transferred to reserves	18	272,083	365,995

The notes on pages 6 to 13 form part of these abbreviated accounts.

VDC Trading Limited
Abbreviated Balance Sheet

as at 31st July 1999

	Notes	1999 £	1999 £	1998 £	1998 £
Fixed Assets					
Tangible assets	7		706,174		691,093
Investments	8		4		2
			<u>706,178</u>		<u>691,095</u>
Current Assets					
Stocks	10	569,896		352,862	
Debtors	11	793,635		721,367	
Cash at bank		228,131		160,839	
		<u>1,591,662</u>		<u>1,235,068</u>	
Creditors:					
Amounts falling due within one year	13	(1,002,467)		(921,043)	
Net Current Assets			<u>589,195</u>		<u>314,025</u>
Total Assets Less Current Liabilities			<u>1,295,373</u>		<u>1,005,120</u>
Creditors:					
Amounts falling due after more than one year	14		(177,073)		(198,903)
Provisions for Liabilities and Charges					
Deferred taxation	16		(40,000)		-
			<u>1,078,300</u>		<u>806,217</u>
Capital and Reserves					
Called up share capital	17		100		100
Share premium account	18		6,172		6,172
Capital redemption reserve	18		10		10
Profit and loss account	18		1,072,018		799,935
Equity Shareholders' Funds			<u>1,078,300</u>		<u>806,217</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

These abbreviated accounts were approved by the board on *15/11/99*

N Holden
E McGonagle
Directors

The notes on pages 6 to 13 form part of these abbreviated accounts.

VDC Trading Limited
Notes to the Abbreviated Accounts
for the year ended 31st July 1999

1 Principal 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, other than freehold land, over their expected useful lives. The principal annual rates and methods used are:

Freehold buildings	2% straight line
Motor vehicles	25% reducing balance
Fixtures and fittings	25% reducing balance

Leasing and Hire Purchase

Certain tangible fixed assets are held under finance leases and hire purchase agreements. These assets are included in the balance sheet and are depreciated accordingly. The capital element of the corresponding financing commitments is included in the balance sheet. The finance element of repayments is charged to the profit and loss account in proportion to the reducing capital element outstanding.

Fixed Asset Investments

Fixed asset 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 timing differences between profits as computed for tax purposes and profits as stated in the financial statements to the extent that, in the opinion of the directors, those differences will give rise to tax liabilities in the foreseeable future.

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 1999

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.

2 Operating Profit

The operating profit is stated after charging or crediting:

	1999	1998
	£	£
Amounts payable to the auditors in respect of audit services	9,000	14,055
Depreciation - owned assets	60,459	35,338
Depreciation - assets held under hire purchase or finance lease contracts	3,800	6,442
Profit on disposal of fixed assets	(11,318)	-

3 Directors and Employees

Staff costs during the year were as follows:

	1999	1998
	£	£
Wages and salaries	858,780	476,200
Social security costs	67,068	43,621
Other pension costs	4,008	-
	929,856	519,821

The company has made payments totalling £4,008 (1998 : Nil) to a defined contribution pension scheme, the assets of which are held in an independently administered fund. The pension cost charge represents the total contributions payable to the fund.

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

	1999	1998
	Number	Number
Administration	6	4
Management	2	2
Production	19	16
Selling and distribution	5	5
	32	27

Remuneration in respect of directors was as follows:

	1999	1998
	£	£
Emoluments	435,065	142,663

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 1999

Remuneration in respect of the highest paid director was as follows:		
	1999	1998
	£	£
Total emoluments excluding pension contributions	221,064	76,000
<hr/>		
4 Interest Payable	1999	1998
	£	£
On bank loan and overdraft	23,489	27,478
Hire purchase and finance lease interest	992	606
	<hr/>	<hr/>
	24,481	28,084
<hr/>		
5 Tax on Profit on Ordinary Activities	1999	1998
	£	£
<i>Based on the profit for the year:</i>		
U.K. Corporation tax at 21% (1998: 31.00%)	32,209	159,572
Deferred tax charge	40,000	-
	<hr/>	<hr/>
	72,209	159,572
Prior year adjustments - corporation tax	-	1,278
	<hr/>	<hr/>
	72,209	160,850
<hr/>		
The tax charge for the year has been increased by approximately £545 (1998: £3,744) in respect of permanent timing differences, reduced by approximately £200 (1998: £200) in respect of deferred tax not provided and by £nil (1998: £22,793) in respect of marginal relief.		
6 Dividends	1999	1998
	£	£
On equity shares		
Ordinary shares - interim paid of £nil per share (1998: £500.00)	-	50,000
	<hr/>	<hr/>

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 1999

7 Tangible Fixed Assets

	Freehold land and buildings	Motor vehicles	Fixtures and fittings	Total
Cost	£	£	£	£
At 1st August 1998	625,704	64,517	95,220	785,441
Additions	-	148,123	22,899	171,022
Disposals	(8,392)	(128,253)	-	(136,645)
At 31st July 1999	617,312	84,387	118,119	819,818
Depreciation				
At 1st August 1998	28,914	27,637	37,797	94,348
Charged for the year	10,346	33,833	20,080	64,259
Eliminated on disposal	(8,392)	(36,571)	-	(44,963)
At 31st July 1999	30,868	24,899	57,877	113,644
Net Book Value				
Owned assets	586,444	44,290	60,242	690,976
Leased assets	-	15,198	-	15,198
At 31st July 1999	586,444	59,488	60,242	706,174
Owned assets	596,790	17,555	57,423	671,768
Leased assets	-	19,325	-	19,325
At 31st July 1998	596,790	36,880	57,423	691,093

8 Fixed Asset Investments

	Shares in Group Undertakings
Cost and Net Book Value	£
At 1st August 1998	2
Additions	2
At 31st July 1999	4

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 1999

9 Principal Fixed Asset Investments

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

Name	Class of share	Proportion held	Nature of business
<i>Principal subsidiary undertakings:</i>			
Van Damme Cable Art Limited	Ordinary	100%	Dormant
VDC EBT Ltd	Ordinary	100%	Dormant

The aggregate capital and reserves at 30th October 1998 and 31st July 1999 respectively and the results of each subsidiary for the relevant financial year then ended are as follows:

	Aggregate capital and reserves		Profit / (loss) for the year	
	1999	1998	1999	1998
	£	£	£	£
<i>Principal subsidiary undertakings:</i>				
Van Damme Cable Art Limited	2	2	-	-
VDC EBT Ltd	2	-	-	-

10	Stocks	1999	1998
		£	£
	Raw materials	569,896	352,862
11	Debtors	1999	1998
		£	£
	Trade debtors	771,223	670,082
	Other debtors	-	15,250
	Prepayments	22,412	36,035
		793,635	721,367

12 Employee Benefit Trust

Cash at bank and in hand includes £200,050 (1998: £nil) which is held in trust for the beneficiaries of the Employee Benefit Trust.

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 1999

13	Creditors: Amounts falling due within one year	1999	1998
		£	£
	Bank loan and overdraft	72,296	83,019
	Obligations under hire purchase and finance lease contracts	4,033	4,128
	Trade creditors	605,490	503,181
	Corporation tax	32,209	159,572
	Other taxes and social security	95,794	93,663
	Director's loan account	38,727	39,554
	Other creditors	24,002	24,000
	Accruals	129,916	13,926
		<u>1,002,467</u>	<u>921,043</u>

14	Creditors: Amounts falling due after one year	1999	1998
		£	£
	Bank loan	173,040	190,837
	Obligations under hire purchase and finance lease contracts	4,033	8,066
		<u>177,073</u>	<u>198,903</u>

Analysis of borrowings by year of repayment:

	1999	1998
The bank loan and overdraft fall due for repayment:		
	£	£
Within one year	72,296	83,019
Between one and two years	38,019	38,019
Between two and five years	114,057	114,057
After more than five years	20,964	38,761
	<u>245,336</u>	<u>273,856</u>

The bank loan and overdraft are secured by a first legal mortgage over 4 Brandon Road, London N7.

15	Obligations Under Hire Purchase & Finance Leases	1999	1998
		£	£
	Obligations under finance leases and hire purchase contracts fall due for repayment as follows:		
	Within one year	4,033	4,128
	Between one and two years	4,033	4,033
	Between two and five years	-	4,033
		<u>8,066</u>	<u>12,194</u>

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

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 1999

16 Deferred Taxation

Deferred taxation provided and unprovided 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 20%.

	Amount Provided		Amount Unprovided	
	1999	1998	1999	1998
	£	£	£	£
Accelerated capital allowances	-	-	80	(186)
Other timing differences	40,000	-	-	-
	<u>40,000</u>	<u>-</u>	<u>80</u>	<u>(186)</u>
Transfer from profit and loss account and at 31st July 1999				<u>40,000</u>

17 Share Capital

Authorised	1999	1998
	£	£
1,000 Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Allotted, called up and fully paid	1999	1998
	£	£
100 Ordinary shares of £1 each	<u>100</u>	<u>100</u>

18 Share Premium Account and Reserves

	Share Premium Account	Capital Redemption Reserve	Profit and Loss Account
	£	£	£
At 1st August 1998	6,172	10	799,935
Retained profit for the year	-	-	272,083
At 31st July 1999	<u>6,172</u>	<u>10</u>	<u>1,072,018</u>

VDC Trading Limited

Notes to the Abbreviated Accounts

for the year ended 31st July 1999

19 Employee Benefit Scheme

During the year the company established an Employee Benefit Trust, with the object of promoting employee loyalty and goodwill. Contributions in the year totalled £200,050.

In accordance with FRS 5 - Reporting the Substance of Transactions, trust assets of £200,050 have been incorporated in the company's balance sheet. As the contributions should be wholly deductible for tax purposes for this year, provision has been made for deferred tax on the contributions relating to those assets.