

2724392

VANGUARD COMMUNICATIONS PLC
REPORTS AND ACCOUNTS
FOR THE YEAR ENDED 30TH JUNE 1994



VANGUARD COMMUNICATIONS PLC

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VANGUARD COMMUNICATIONS PLC

Registered in England
on 19th June 1992
Number 2724392

COMPANY INFORMATION

DIRECTORS: J.A.Sutherland - Chairman & Managing Director
P.Maddocks - Financial Director
R.J.Whitley - Technical Director

SECRETARY: R.J.Whitley

REGISTERED OFFICE: Communications House, 76 Wellington Road Rhyl Clwyd LL18 1LA

BANKERS: Barclays Bank PLC Raymond Court, Princes Drive, Colwyn Bay Clwyd LL29 8HY.

SOLICITORS: Hatcher Rogerson Solicitors,
5, Mill Street, Wem, Shropshire SY4 5EL

AUDITORS: J.V.Banks & Co Banks House Paradise Street Rhyl Clwyd LL18 3LW

VANGUARD COMMUNICATIONS PLCDIRECTORS' REPORTFOR THE YEAR ENDED 30TH JUNE 1994

The directors submit their report together with the audited financial statements for the year ended 30th June 1994.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The principal activity of the Company is the supply and repair of radio and cellular equipment to both Retail and Wholesale Markets.

The Company was able to expand its wholesaling activities as a result of the remarkable growth throughout the Communications industry.

The directors are satisfied with the results for the year and the state of affairs of the company at the balance sheet date.

FUTURE DEVELOPMENTS

The Directors are confident that the next financial year will show similar results in turnover and profitability.

FIXED ASSETS

The changes in fixed assets during the year are summarised in the notes to the accounts.

The significant changes to fixed assets during the year arose principally from additions to vehicles, totalling £23,180.

The directors who had a beneficial interest in the share capital of the company were as follows:

	At 30th June 1994 Ordinary shares	At 1st July 1993 Ordinary shares
J.A.Sutherland	12,501	12,501
P.Maddocks	1	-
R.J.Whitley	1	1

Political and Charitable Donations

During the year the company made no political or charitable contributions or donations.

VANGUARD COMMUNICATIONS PLCDIRECTORS' REPORTFOR THE YEAR ENDED 30TH JUNE, 1994.**DIRECTORS' RESPONSIBILITIES**

Company law requires the directors to prepare accounts 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 of the Company for that period. In preparing those accounts, the directors are required to:

select suitable accounting policies and then apply them consistently;
make judgements and estimates that are reasonable and prudent;
follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
prepare the accounts 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 that the accounts 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.

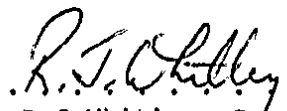
AUDITORS

The Auditors, Messrs.J.V.Banks & Co., Registered Auditors, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board

RHYL.

22nd October 1994


R.J. Whitley, Secretary.

VANGUARD COMMUNICATIONS PLCAUDITORS REPORT TO THE MEMBERSON THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1994

We have audited the financial statements set out on pages 5 to 13 which have been prepared under the historical cost convention and the accounting policies set out on page 9.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The company's directors are responsible for the preparation of accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts and to report our opinion to you.

BASIS OF OPINION

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes an examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes a assessment of the significant estimates and judgements by the directors in the preparation of the accounts, 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 accounts are free from material misstatement whether caused by fraud or other irregularity or by error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the accounts.

OPINION

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 30th June 1994 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.

25th October 1994

Banks House, Paradise Street,
Rhyl, Clwyd
LL18 3LW



J.V. Banks & Co
Registered Auditors

VANGUARD COMMUNICATIONS PLCPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30TH JUNE 1994

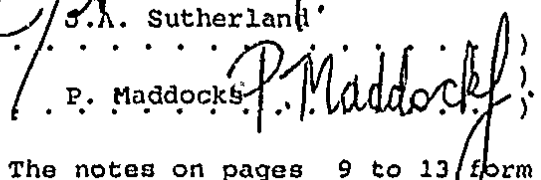
	Notes	<u>1994</u> £	<u>1993</u> £
<u>TURNOVER</u>	2	1,505,850	-
Cost of sales		1,282,862	-
<u>GROSS PROFIT</u>		222,988	-
Administrative expenses		124,748	1,751
		98,240	(1,751)
Other operating income		12,422	-
<u>OPERATING PROFIT/(LOSS)</u>	3	110,662	(1,751)
Interest receivable		96	64
Finance costs	5	(2,128)	(493)
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION</u>		108,630	(2,180)
Tax on profit on ordinary activities	6	25,371	-
<u>PROFIT/(LOSS) ON ORDINARY ACTIVITIES AFTER TAXATION</u>		83,259	(2,180)
Dividends	7	7,030	-
		76,229	(2,180)
Balance brought forward		(2,180)	-
<u>RETAINED PROFIT/(LOSS) CARRIED FORWARD</u>		<u>£74,049</u>	<u>£(2,180)</u>

The notes on pages 9 to 13 form part of these financial statements.

VANGUARD COMMUNICATIONS PLCBALANCE SHEETAS AT 30TH JUNE 1994

	Notes	1994	1993
		£	£
<u>FIXED ASSETS</u>			
Intangible assets	8	-	4,515
Tangible assets	9	33,704	6,106
		<u>33,704</u>	<u>10,621</u>
<u>CURRENT ASSETS</u>			
Stocks	10	54,626	-
Debtors	11	300,362	11,706
Cash at bank and in hand		7,403	10,223
		<u>362,391</u>	<u>21,929</u>
LESS CREDITORS: amounts falling due within one year	12	<u>302,277</u>	<u>20,671</u>
<u>NET CURRENT ASSETS</u>		60,114	1,258
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		<u>93,818</u>	<u>11,879</u>
LESS CREDITORS: amounts falling due after more than one year	13	7,265	1,557
		<u>£86,553</u>	<u>£10,322</u>
<u>CAPITAL AND RESERVES</u>			
Called up share capital	15	12,504	12,502
Profit and loss account		74,049	(2,180)
		<u>£86,553</u>	<u>£10,322</u>


 J.A. Sutherland


 P. Maddocks

DIRECTORS

Approved on 22nd October 1994

The notes on pages 9 to 13 form part of these financial statements.

VANGUARD COMMUNICATIONS PLCCASH FLOW STATEMENTFOR THE YEAR ENDED 30TH JUNE 1994

	Notes	<u>1994</u>	<u>1993</u>
		£	£
<u>NET CASH INFLOW FROM OPERATING</u>			
<u>ACTIVITIES</u>	1	36,675	3,223
<u>RETURNS ON INVESTMENTS AND</u>			
<u>SERVICING OF FINANCE</u>			
Interest received		96	64
Interest paid		(2,128)	(493)
Dividends paid		(6,712)	-
<u>Net cash outflow from returns on</u>			
<u>investments and servicing of finance</u>		(8,744)	(429)
<u>TAXATION</u>			
Corporation tax paid		(440)	-
<u>Tax paid</u>		(440)	-
<u>INVESTING ACTIVITIES</u>			
Payments to acquire intangible fixed			
assets		-	(4,515)
Payments to acquire tangible fixed			
assets		(43,193)	(6,785)
Receipts from sales of tangible fixed			
assets		7,000	-
Receipts from sale of investments		22,597	-
<u>Net cash outflow from investing</u>			
<u>activities</u>		(13,596)	(11,300)
<u>Net cash inflow/(outflow) before</u>			
<u>financing</u>		13,895	(8,506)
<u>FINANCING</u>			
Issue of share capital	2		12,502
Repayment of amounts borrowed		5,881	6,227
<u>Net cash inflow from financing</u>		5,883	18,729
<u>Increase in cash and cash equivalents</u>		<u>£19,778</u>	<u>£10,223</u>

VANGUARD COMMUNICATIONS PLCNOTES TO THE CASH FLOW STATEMENTFOR THE YEAR ENDED 30TH JUNE 19941. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	<u>1994</u>	<u>1993</u>
	£	£
Operating profit/(loss)	110,662	(1,751)
Depreciation charges	8,596	679
Amortisation of intangible assets	4,515	-
Increase in stock	(54,626)	-
Increase in debtors	(288,656)	(11,706)
Increase in creditors	256,184	16,001
Net cash inflow from operating activities	<u>£36,675</u>	<u>£3,223</u>

2. ANALYSIS OF CHANGES OF CASH AND CASH EQUIVALENTS DURING THE YEAR

	£
Balance at 1st July 1993	10,223
Net cash outflow	<u>(2,820)</u>
Balance at 30th June 1994	<u>£7,403</u>

3. ANALYSIS OF THE BALANCES OF CASH AND THE CASH EQUIVALENTS AS SHOWN ON THE BALANCE SHEET

	<u>1994</u>	<u>1993</u>	<u>Change in year</u>
	£	£	£
Cash at bank and in hand	7,403	10,223	(2,820)
Bank overdrafts	-	-	-
	<u>£7,403</u>	<u>£10,223</u>	<u>£(2,820)</u>

4. ANALYSIS OF CHANGES IN FINANCING DURING THE YEAR

	<u>Share capital (including premium)</u>	<u>Loans and finance lease obligations</u>
	£	£
Balance at 1st July 1993	12,502	6,227
Cash inflow/(outflow) from financing	2	5,881
Balance at 30th June 1994	<u>£12,504</u>	<u>£12,108</u>

VANGUARD COMMUNICATIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 19941. ACCOUNTING POLICIES

(a) Accounting Convention

The accounts have been prepared on the basis of historical costs.

(b) Depreciation

Depreciation is provided on all tangible fixed assets, other than freehold land and property held for investment, at rates calculated to write off the cost or valuation of each asset over its expected useful life, as follows:

Plant & Equipment	20%
Vehicles	20%

(c) Development Expenditure

Development expenditure is carried forward to future accounting periods for amortisation as in the Directors' opinion the criteria in S.S.A.P.13 have been met.

(d) Assets acquired under Hire Purchase and Lease Agreements

Assets acquired under Hire Purchase and Finance Lease Agreements are shown in tangible fixed assets and depreciated under the normal bases. The finance costs are written off to the Profit and Loss Account.

2. TURNOVER

The turnover and pre-tax profit are attributable to the principal activity of the company carried out wholly in the United Kingdom.

3. OPERATING PROFIT

	<u>1994</u> £	<u>1993</u> £
(a) This is stated after charging or crediting:		
Directors' remuneration	13,225	-
Depreciation	7,596	678
Development expenditure written off	4,515	-
Hire of plant and vehicles	247	-
Operating leases - plant and vehicles	£5,927	-
	<hr/>	<hr/>
	<u>1994</u> £	<u>1993</u> £
(b) Directors' remuneration		
Directors remuneration	12,115	-
Directors national insurance contributions	1,110	-
	<hr/>	<hr/>
	£13,225	-

The Chairman did not receive any emoluments during the year. The emoluments of the highest paid director was £11,095 (1993 ENIL) both excluding pension contributions.

VANGUARD COMMUNICATIONS PLCNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 19944. STAFF COSTS

	<u>1994</u>	<u>1993</u>
	£	£
Wages and salaries	54,465	-
Social security costs	<u>3,888</u>	<u>-</u>

The average weekly number of employees during the year was made up as follows:

	<u>1994</u>	<u>1993</u>
	No.	No.
Selling and distribution	5	-
Administration	<u>3</u>	<u>2</u>
	<u>8</u>	<u>2</u>

5. INTEREST PAYABLE

	<u>1994</u>	<u>1993</u>
	£	£
Hire purchase interest	2,063	493
Bank overdraft interest	<u>65</u>	<u>-</u>
	<u>2,128</u>	<u>493</u>

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>1994</u>	<u>1993</u>
	£	£
Based on the adjusted profit for the year:		
Corporation tax at 25%	<u>25,371</u>	<u>-</u>
	<u>£25,371</u>	<u>-</u>

7. DIVIDENDS

	<u>1994</u>	<u>1993</u>
	£	£
Ordinary a dividends	2,757	-
Ordinary b dividends	<u>4,273</u>	<u>-</u>
	<u>£7,030</u>	<u>-</u>

VANGUARD COMMUNICATIONS PLC

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 1994

8. INTANGIBLE FIXED ASSETS

	Development Expenditure
	£
COST	
At 1st July 1993	4,515
At 30th June 1994	<u>£4,515</u>
AMORTISATION	
Provided during the year	4,515
At 30th June 1994	<u>£4,515</u>
NET BOOK VALUE	
At 30th June 1994	<u>-</u>
At 30th June 1993	<u>£4,515</u>

9. TANGIBLE FIXED ASSETS

	Vehicles	Tools & Office Equipment	Total
	£	£	£
COST			
At 1st July 1993	-	6,785	6,785
Additions	23,180	20,013	43,193
Disposals	(7,000)	-	(7,000)
At 30th June 1994	<u>16,180</u>	<u>26,798</u>	<u>42,978</u>
DEPRECIATION			
At 1st July 1993	-	678	678
Charged during the year	3,236	5,360	8,596
At 30th June 1994	<u>3,236</u>	<u>6,038</u>	<u>9,274</u>
NET BOOK VALUE			
At 30th June 1994	<u>£12,944</u>	<u>£20,760</u>	<u>£33,704</u>
At 30th June 1993	<u>-</u>	<u>£6,106</u>	<u>£6,106</u>

The net book value of assets acquired under hire purchase agreements at 30th June 1994 was £17,694.

VANGUARD COMMUNICATIONS PLCNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 199410. STOCKS

	<u>1994</u>	<u>1993</u>
	£	£
Stock	54,626	-
	<u>54,626</u>	<u>-</u>

11. DEBTORS

	<u>1994</u>	<u>1993</u>
	£	£
Trade debtors	256,335	-
Grants receivable	11,701	11,300
V.A.T. Receivable	21,098	406
Other debtors	8,361	-
Prepayments	2,867	-
	<u>300,362</u>	<u>11,706</u>

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1994</u>	<u>1993</u>
	£	£
Obligations under finance leases and hire purchase contracts	4,843	4,670
Trade creditors	241,297	-
Amounts due to telecom consultants	-	9,029
Current corporation tax	24,931	-
Other taxes and social security	1,611	-
Other creditors	19,074	6,372
Accruals	10,203	600
Proposed dividend	318	-
	<u>302,277</u>	<u>20,671</u>

13. CREDITORS: AMOUNTS FALLING DUE AFTER
MORE THAN ONE YEAR

	<u>1994</u>	<u>1993</u>
	£	£
Obligations under finance leases and hire purchase contracts (Note 14)	7,265	1,557
	<u>£7,265</u>	<u>£1,557</u>

14. OBLIGATIONS UNDER HIRE PURCHASE & FINANCE LEASES

	<u>1994</u>	<u>1993</u>
	£	£
The maturity of amounts is as follows:		
Within one year	14,033	5,655
In the second to fifth years inclusive	-	1,015
	<u>14,033</u>	<u>7,570</u>
Less: finance charges allocated to future periods	1,925	1,343
	<u>£12,108</u>	<u>£6,227</u>

VANGUARD COMMUNICATIONS PLCNOTES TO THE ACCOUNTS FOR THE YEAR ENDED 30TH JUNE 199414. OBLIGATIONS UNDER HIRE PURCHASE & FINANCE LEASES (Continued)

Finance leases are analysed as follows:

Current obligations	7,265	1,557
Non-current obligations	4,843	4,670
	<u>£12,108</u>	<u>£6,227</u>

15. SHARE CAPITAL

	<u>1994</u>	<u>1993</u>
Authorised		
50,000 ordinary shares of £1 each	<u>£50,000</u>	<u>£50,000</u>
Allotted issued and fully paid		
12,504 ordinary shares of £1 each	<u>£12,504</u>	<u>£12,502</u>
One Ordinary A share of £1 each and one Ordinary B share of £1 each was issued during the year.		