

**REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 SEPTEMBER 1997
FOR
UNITED KINGDOM CALS INDUSTRY COUNCIL**

James Curtis & Co
Chartered Accountants
Victoria House
Desborough Street
High Wycombe
Bucks HP11 2NF



UNITED KINGDOM CALS INDUSTRY COUNCIL

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for the Year Ended 30 September 1997**

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UNITED KINGDOM CALS INDUSTRY COUNCIL

COMPANY INFORMATION
for the Year Ended 30 September 1997

DIRECTORS:

R J Pierson
S Gillibrand
D Lidstone
W J Budzynski
B G Waldron
K Hambleton
R Leggeter
G Atrill
M Palmer

SECRETARY:

G Griffiths

REGISTERED OFFICE:

FEL, Russell Square House
Russell Square
London
WC1B 5EE

REGISTERED NUMBER:

2971100

AUDITORS:

James Curtis & Co
Chartered Accountants
Registered Auditor
Victoria House
Desborough Street
High Wycombe
Bucks HP11 2NF

UNITED KINGDOM CALS INDUSTRY COUNCIL

REPORT OF THE DIRECTORS for the Year Ended 30 September 1997

The directors present their report with the financial statements of the company for the year ended 30 September 1997.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of encouraging and promoting professional growth and educational advancement for the benefit of industry, commerce, the public, and those who are or who will be engaged in all aspects of computer aided acquisition and logistic support.

DIRECTORS

The directors during the year under review were:

| | |
|---------------|---------------------|
| R F L Cook | - resigned 20.3.97 |
| J P Utterson | - resigned 20.3.97 |
| R J Pierson | |
| S Gillibrand | |
| D Lidstone | |
| W J Budzynski | |
| J C Holmes | - resigned 15.8.97 |
| B G Waldron | |
| K Hambleton | |
| N Hughes | - resigned 5.8.97 |
| R Leggeter | |
| R Wirszyycz | - resigned 20.3.97 |
| G Atrill | - appointed 20.3.97 |
| M Palmer | - appointed 20.3.97 |

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 of the company for that period. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

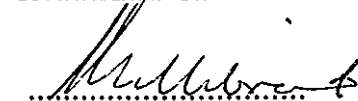
The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets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

AUDITORS

The auditors, James Curtis & Co, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



S Gillibrand - DIRECTOR

Dated: 20/11/97

UNITED KINGDOM CALS INDUSTRY COUNCIL
REPORT OF THE AUDITORS TO THE MEMBERS OF
UNITED KINGDOM CALS INDUSTRY COUNCIL

We have audited the financial statements on pages four to eight which have been prepared under the historical cost convention and the accounting policies set out on page six.

Respective responsibilities of directors and auditors

As described on page two 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.

Basis of opinion

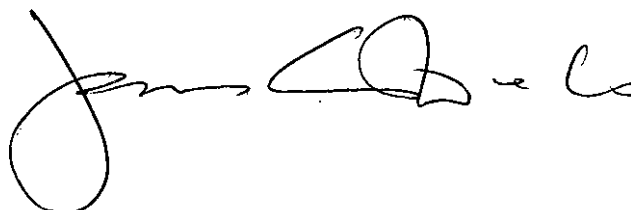
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 September 1997 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

James Curtis & Co
Chartered Accountants
Registered Auditor
Victoria House
Desborough Street
High Wycombe
Bucks HP11 2NF



Dated: 28 November 1997

UNITED KINGDOM CALS INDUSTRY COUNCIL

PROFIT AND LOSS ACCOUNT for the Year Ended 30 September 1997

| | | 1997 | 1996 |
|--|-------|---------|--------|
| | Notes | £ | £ |
| TURNOVER | 2 | 147,801 | 86,508 |
| Cost of sales | | 60,573 | 19,544 |
| GROSS PROFIT | | 87,228 | 66,964 |
| Administrative expenses | | 86,170 | 64,532 |
| OPERATING PROFIT | 3 | 1,058 | 2,432 |
| Interest receivable and similar income | 4 | 918 | 315 |
| | | 1,976 | 2,747 |
| Interest payable and similar charges | | - | 8 |
| PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION | | 1,976 | 2,739 |
| Tax on profit on ordinary activities | 5 | 487 | 826 |
| PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION | | 1,489 | 1,913 |
| Retained profit brought forward | | 4,742 | 2,829 |
| RETAINED PROFIT CARRIED FORWARD | | £6,231 | £4,742 |

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

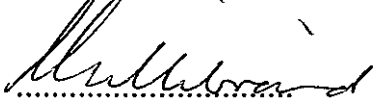
UNITED KINGDOM CALS INDUSTRY COUNCIL

BALANCE SHEET
30 September 1997

| | | 1997 | | 1996 | |
|---|-------|---------------|---------------|---------------|---------------|
| | Notes | £ | £ | £ | £ |
| FIXED ASSETS: | | | | | |
| Tangible assets | 7 | | 445 | | 323 |
| CURRENT ASSETS: | | | | | |
| Debtors | 8 | 32,559 | | 44,886 | |
| Cash at bank | | 10,043 | | 3,057 | |
| | | <u>42,602</u> | | <u>47,943</u> | |
| CREDITORS: Amounts falling due within one year | 9 | <u>36,816</u> | | <u>43,524</u> | |
| NET CURRENT ASSETS: | | | <u>5,786</u> | | <u>4,419</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES: | | | <u>£6,231</u> | | <u>£4,742</u> |
| RESERVES: | | | | | |
| Profit and loss account | | | <u>6,231</u> | | <u>4,742</u> |
| | 11 | | <u>£6,231</u> | | <u>£4,742</u> |

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

ON BEHALF OF THE BOARD:



S Gillibrand - DIRECTOR

Approved by the Board on 20/11/97

The notes form part of these financial statements

UNITED KINGDOM CALS INDUSTRY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 1997

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard Number 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

Turnover

Turnover represents income from annual subscriptions, joining fees, courses and seminars, royalties, and Department of Trade and Industry grants, net of any applicable value added tax.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery etc - 50% on cost

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Government Grants

Government grants are taken to income in the period in which the related expenditure is charged in the Profit and Loss Account.

Stocks

The company produces technical guides, many of which are distributed free of charge and subject to technical obsolescence. In accordance with the requirement of prudent accounting, the costs are fully expensed in the year in which they are incurred.

2. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

3. OPERATING PROFIT

The operating profit is stated after charging:

| | 1997 | 1996 |
|--|---------------|---------------|
| | £ | £ |
| Depreciation - owned assets | 769 | 1,164 |
| Auditors' remuneration | 750 | 750 |
| | <u> </u> | <u> </u> |
| Directors' emoluments and other benefits etc | - | - |
| | <u> </u> | <u> </u> |

In order to ensure comparability with the current year data, expenditure of £19,544 in the year ended 30 September 1996 has been reclassified from administrative expenses to cost of sales, ensuring that costs are matched with the related turnover.

UNITED KINGDOM CALS INDUSTRY COUNCIL

NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 30 September 1997

4. INTEREST RECEIVABLE AND SIMILAR INCOME

| | 1997 | 1996 |
|--------------------------|---------------|---------------|
| | £ | £ |
| Deposit account interest | 918 | 315 |
| | <u> </u> | <u> </u> |

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

| | 1997 | 1996 |
|--------------------------|---------------|---------------|
| | £ | £ |
| UK Corporation Tax | 487 | 841 |
| Overprovision prior year | - | (15) |
| | <u> </u> | <u> </u> |
| | 487 | 826 |
| | <u> </u> | <u> </u> |

UK Corporation Tax has been charged at 22.50% (1996 - 24.50%).

Profits for the period to 31 March 1997 have been charged at 24% and for the period to 30 September at 21%.

6. GOVERNMENT GRANTS

Turnover includes income from grants received from the Department of Trade and Industry totalling £53,530 (1996 £8,000).

7. TANGIBLE FIXED ASSETS

| | Plant and machinery etc |
|------------------------|-------------------------------|
| | £ |
| COST: | |
| At 1 October 1996 | 2,327 |
| Additions | 890 |
| | <u> </u> |
| At 30 September 1997 | 3,217 |
| | <u> </u> |
| DEPRECIATION: | |
| At 1 October 1996 | 2,003 |
| Charge for year | 769 |
| | <u> </u> |
| At 30 September 1997 | 2,772 |
| | <u> </u> |
| NET BOOK VALUE: | |
| At 30 September 1997 | 445 |
| | <u> </u> |
| At 30 September 1996 | 323 |
| | <u> </u> |

UNITED KINGDOM CALS INDUSTRY COUNCIL

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 30 September 1997**

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

| | 1997 | 1996 |
|---------------|---------------|---------------|
| | £ | £ |
| Trade debtors | 31,192 | 44,586 |
| Other debtors | 220 | - |
| Prepayments | 1,147 | 300 |
| | <u>32,559</u> | <u>44,886</u> |

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

| | 1997 | 1996 |
|------------------|---------------|---------------|
| | £ | £ |
| Trade creditors | 8,067 | 1,138 |
| V.A.T. | 721 | 4,473 |
| Deferred Income | 21,633 | 36,267 |
| Taxation | 487 | 841 |
| Accrued expenses | 5,908 | 805 |
| | <u>36,816</u> | <u>43,524</u> |

10. TRANSACTIONS WITH DIRECTORS

The Directors of the Company are all representatives of member companies and organisations. It follows that there are arms length transactions for subscriptions and other income with companies and organisations in which the directors have an interest. The total value of invoices rendered to such companies and organisations during the year was £29,325 (1996 £28,400). Balances unpaid at 30 September in respect of such transactions totalled £9,920 (1996 £16,981).

11. RECONCILIATION OF MOVEMENTS IN RESERVES

| | 1997 | 1996 |
|---------------------------------|--------------|--------------|
| | £ | £ |
| Profit for the financial year | 1,489 | 1,913 |
| NET ADDITION TO RESERVES | <u>1,489</u> | <u>1,913</u> |
| Opening reserves | 4,742 | 2,829 |
| CLOSING RESERVES | <u>6,231</u> | <u>4,742</u> |

12. SHARE CAPITAL

There is no authorised share capital as the company is limited by guarantee. In the event of the company being wound up and unable to pay its debts in full, the liability of each member to contribute to the funds of the company is limited to £1.