

**PLASMEC SYSTEMS LIMITED**

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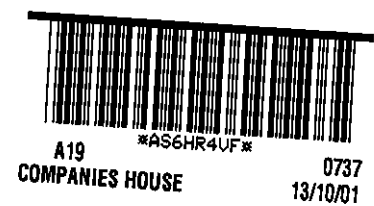
**COMPANY NO: 3614110**

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**REPORT AND ACCOUNTS**

**Year Ended 31<sup>st</sup> December 2000**

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**P.J. GREENACRE & CO. LIMITED**

**CHARTERED ACCOUNTANTS**

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**PLASMEC SYSTEMS LIMITED**

**Annual Report and Financial Statements**

**Period Ended 31st December 2000**

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## **PLASMEC SYSTEMS LIMITED**

### **Officers and Professional Advisers**

Director	J C Honeybell
Secretary	S Honeybell
Registered Office	Grosvenor House 36 North Lane Aldershot Hants GU12 4QG
Registered No.	3614110
Bankers	National Westminster Bank (UK) plc 45 Park Street Camberley Surrey GU15 3PA
Accountants	P.J.Greenacre & Co. Limited Chartered Accountants The Old Bakery Tiptoe Road New Milton Hampshire BH25 5SJ

# **PLASMEC SYSTEMS LIMITED**

## **Report of the Director**

**Year Ended 31<sup>st</sup> December 2000**

The director submits his report together with the financial statements for the period ended 31<sup>st</sup> December 2000.

## **Principal Activities and Review of Business Developments**

The principal activity of the company is that of precision engineering and fabrication. The company is also engaged in the manufacture and design of microfilm and digital archiving cameras.

The company's objective is to continue to build its precision engineering and fabrication business and develop its camera product range into new markets. The director expects turnover to increase during the year with a return to profitability through tighter cost control and increasing margins.

Since the end of the financial period no events have occurred which, although properly excluded from the financial statements, are of such importance that the shareholders should be made aware of them.

## **Results and Dividends**

The results are set out in the profit and loss account on page 4 and show a pre- tax loss for the period of £ 37,910 compared to a profit £ 50,578 in the previous period. The director does not recommend the payment of a dividend and the loss after tax for the period of £30,408 reduces the balance on reserves the movement on which is set out in note 16 to the accounts.

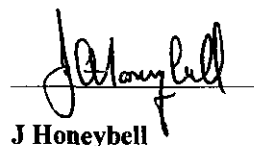
## **Directors' Interests**

	<b><u>Ordinary shares of £1 each</u></b>	
	<b><u>31<sup>st</sup> December 2000</u></b>	<b><u>31<sup>st</sup> December 1999</u></b>
J M Whittle (resigned 1.3.2001 )	5,000	5,000
J C Honeybell	5,000	5,000

## **Fixed Assets**

The movements during the year in the fixed assets of the company are set out in notes 9 and 10 to the accounts.

**By Order Of The Board**



**J Honeybell**

**24 April 2001**

**Director**

## **PLASMEC SYSTEMS LIMITED**

### **Statement Of The Directors' Responsibilities**

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

1. Select suitable accounting policies and then to apply them consistently;
2. Make judgements and estimates that are reasonable and prudent;
3. State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
4. Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is also 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. He is 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.

# **PLASMEC SYSTEMS LIMITED**

## **Profit and Loss Account**

**Year Ended 31<sup>st</sup> December 2000**

	<u>Notes</u>	<u>2000</u>	<u>1999</u>
Turnover	2.	590,995	642,403
Change in stock of finished goods and work in progress		( 1,989)	<u>27,000</u>
		589,006	669,403
Raw materials and consumables	176,434	210,886	
Other external charges	<u>37,787</u>	<u>214,221</u>	<u>20,815</u>
		374,785	437,702
Staff Costs	4.	305,574	293,580
Depreciation		7,759	4,165
Write back of negative goodwill	( 11,561)	( 10,598)	
Other Operating Charges	<u>161,828</u>	<u>463,600</u>	<u>143,620</u>
			430,767
Operating Loss	3.	( 88,815)	6,935
Other Income	5.	<u>50,785</u>	<u>45,281</u>
		( 38,030)	52,216
Interest Payable and Similar Charges	6.	( 120)	<u>1,638</u>
Loss On Ordinary Activities Before Taxation		( 37,910)	50,578
Taxation On Profit On Ordinary Activities	7.	( 7,502)	<u>7,502</u>
Loss On Ordinary Activities After Taxation		( 30,408)	43,076
Dividends	8.	-	<u>20,000</u>
Loss For The Period	16.	£ ( 30,408)	£ <u>23,076</u>

There were no recognised gains or losses other than those shown in the profit and loss account.

All of the company's operations were acquired during the period.

The notes on pages 6 to 11 form part of these financial statements.

# PLASMEC SYSTEMS LIMITED

## Balance Sheet

As At 30 December 2000

<u>Assets Employed :</u>	<u>Notes</u>	<u>2000</u>	<u>1999</u>
<b>Fixed Assets</b>			
Intangible	9.	(35,645)	( 47,206)
Tangible	10.	<u>27,386</u>	<u>23,182</u>
		( 8,259)	( 24,024)
<b>Current Assets</b>			
Stock	11.	81,982	58,793
Debtors	12.	132,947	143,511
Cash at Bank		<u>2,938</u>	<u>62,348</u>
		217,867	264,652
<b>Creditors</b>			
Amounts falling due within one year	13.	<u>85,853</u>	<u>86,465</u>
<b>Net Current Assets</b>		<u>132,014</u>	<u>178,187</u>
<b>Total Assets Less Current Liabilities</b>		123,755	154,163
<b>Provisions For Liabilities And Charges</b>	14.	<u>(121,087)</u>	<u>(121,087)</u>
<b>Net Assets</b>		<u>£ 2,668</u>	<u>£ 33,076</u>

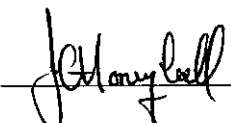
## Financed By :

<b>Capital and Reserves</b>			
Called Up Share Capital	15.	10,000	10,000
Profit and Loss Account	16.	<u>( 7,332)</u>	<u>23,076</u>
		<u>£ 2,668</u>	<u>£ 33,076</u>

The director has taken advantage of S249 A (1) of the Companies Act 1985 in not having these accounts audited and confirm that no notice has been deposited under S249B (2) of the Act.

The director acknowledges his responsibility for ensuring that the Company keeps proper accounting records which comply with S221 of the Act. The director also acknowledges his responsibility for preparing accounts which give a true and fair view of the Company as at 31<sup>st</sup> December 2000 and of its result for the period then ended, in accordance with the requirements of this Act relating to accounts, so far as applicable to the Company.

These accounts were approved by the Board on 24 April 2001.

 Director  
J C Honeybell

The notes on pages 6 to 11 form part of these financial statements.

## **PLASMEC SYSTEMS LIMITED**

### **Notes To The Accounts**

**Year Ended 31<sup>st</sup> December 2000**

#### **1. Accounting Policies**

##### **1.1 Basis of Accounts**

The financial statements have been prepared under the historical cost convention, with assets carried in the balance sheet at or below their cost incurred at their dates of acquisition and without regard to their replacement cost. The accounts have been prepared in accordance with applicable accounting standards.

##### **1.2 Goodwill**

Purchased goodwill is capitalised and written off over a period of 5 years. Negative goodwill arising is written back to the profit and loss account on a straight-line basis over a period of 5 years.

##### **1.3 Depreciation**

Depreciation is provided to write off the cost less estimated residual value of all fixed assets over their expected useful lives on the following annual bases:

Plant & Equipment	:	10% on reducing balance.
Motor Vehicles	:	20% on reducing balance

##### **1.4 Stock and Work In Progress**

Stock and work in progress is valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of overheads.

##### **1.5 Deferred Taxation**

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that a liability is expected to crystallise within the foreseeable future.

##### **1.6 Leases And Hire Purchase Agreements**

Assets obtained under Hire Purchase Agreements and Finance Leases are capitalised and depreciated in accordance with note 1.3 above. Finance charges and Hire Purchase Interest are written off over the period of the agreement, calculated on a straight-line basis. Operating lease payments are written off as incurred.

##### **1.7 Foreign Currency Transactions**

Transactions denominated in foreign currencies during the period are recorded at the rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at exchange rates ruling at the end of the financial period. Differences arising on the translation of foreign currencies are dealt with in the profit and loss account.



# **PLASMEC SYSTEMS LIMITED**

## **Notes To The Accounts**

**Year Ended 31<sup>st</sup> December 2000**

### **1.9 Cashflow Statement**

The Company is entitled to the exemption conferred by section 246 to 249 of the Companies Act 1985 from the requirement to prepare a cashflow statement.

### **2. Turnover**

Turnover represents the invoice value, excluding Value Added Tax, of goods and services provided during the period.

### **3. Operating Profit**

Stated after charging:	<u>2000</u>	<u>1999</u>
Depreciation	10,931	6,708
Loss on sale of vehicles	-	( 2,543)
Operating lease rentals – equipment hire	476	476
Operating lease rentals – other	100,277	80,327
Auditors' Remuneration	3,000	3,000
Directors' Emoluments	<u>32,800</u>	<u>40,308</u>

### **4. Staff Numbers and Costs**

The average weekly number of employees, including the directors, during the period was as follows:

Directors	1	2
Office	3	3
Manufacturing, distribution and selling	<u>14</u>	<u>15</u>
	<u>18</u>	<u>20</u>

Staff costs (including the Directors' remuneration) consist of :

Wages and Salaries	279,661	254,120
Employers' NIC	25,248	23,485
Directors' Fees	-	6,600
Benefits in Kind	<u>-</u>	<u>9,375</u>
	<u>£ 304,909</u>	<u>£ 293,580</u>

Directors' Emoluments Consist of:

Management Remuneration	32,800	24,333
Management Fees	-	6,600
Benefits in Kind	<u>-</u>	<u>9,375</u>
	<u>£ 32,800</u>	<u>£ 40,308</u>

# **PLASMEC SYSTEMS LIMITED**

## **Notes To The Accounts**

**Year Ended 31<sup>st</sup> December 2000**

	<b><u>2000</u></b>	<b><u>1999</u></b>
5. <b><u>Other Income</u></b>		
Rents Receivable	50,304	44,757
Bank Interest Received	<u>481</u>	<u>524</u>
	<b>£ 50,785</b>	<b>£ 45,281</b>
6. <b><u>Interest Payable and Similar Charges</u></b>		
Loan Interest Payable	-	1,040
Hire Purchase Interest	<u>( 120)</u>	<u>598</u>
	<b>£ ( 120)</b>	<b>£ 1,638</b>
7. <b><u>Taxation</u></b>		
Corporation Tax repayable based on the Losses for the year at 20%	<b>£ ( 7,502)</b>	<b>£ 7,502</b>
8. <b><u>Dividends</u></b>		
Ordinary Dividends Paid - £ 2 per share (1999)	<b>£ -</b>	<b>£ 20,000</b>
9. <b><u>Intangible Fixed Assets</u></b>		<b><u>Negative Goodwill</u></b>
Arising on acquisition		(57,804)
Amount written back to profit and loss - 1999		<u>10,598</u>
Book Value as at 31 December 1999		<b>£ (47,206)</b>
Amount written back to profit and loss - 2000		<u>11,561</u>
Book Value as at 31 <sup>st</sup> December 2000		<b>£ ( 35,645)</b>

On 1<sup>st</sup> February 1999 the company acquired the following net assets for consideration of £ 1 :

Motor Vehicles	17,373
Plant & Equipment	24,850
Stock	69,000
Trade Debtors	109,438
Trade Creditors	( 36,731)
Other Creditors	( 5,038)
Provisions - staff and lease costs (see note 14 )	<u>(121,087)</u>
Net Assets	<b>£ 57,805</b>

As part of the consideration the company agreed to accept responsibility for all liabilities under operating lease agreements and staff employment contracts.

# **PLASMEC SYSTEMS LIMITED**

## **Notes To The Accounts**

**Year Ended 31st December 2000**

### 10. **Tangible Fixed Assets**

	<b><u>Plant and Equipment</u></b>	<b><u>Motor Vehicles</u></b>	<b><u>Total</u></b>
<b><u>Cost</u></b>			
At 1 <sup>st</sup> January 2000	25,599	4,291	29,890
Additions	11,763	-	11,763
Disposals	( - )	( - )	( - )
At 31 December 2000	<u>37,362</u>	<u>4,291</u>	<u>41,653</u>
<b><u>Aggregate Depreciation</u></b>			
At 1 <sup>st</sup> January 2000	3,337	3,371	6,708
Charge for the Period	6,640	919	10,931
On disposals	( - )	( - )	( - )
At 31 December 2000	<u>9,977</u>	<u>4,290</u>	<u>14,267</u>

### **Net Book Values:**

At 31 December 1999	£	<u>22,262</u>	£	<u>920</u>	£	<u>23,182</u>
At 31 December 2000	£	<u>27,385</u>	£	<u>1</u>	£	<u>27,386</u>

### 11. **Stock**

	<b><u>2000</u></b>	<b><u>1999</u></b>
Raw Materials	56,971	31,793
Work In progress	<u>25,011</u>	<u>27,000</u>
	£ <u>81,982</u>	£ <u>58,793</u>

### 12. **Debtors**

Trade debtors	103,107	110,967
Other Debtors	<u>29,840</u>	<u>32,544</u>
	£ <u>132,947</u>	£ <u>143,511</u>

# **PLASMEC SYSTEMS LIMITED**

## **Notes To The Accounts**

**Year Ended 31<sup>st</sup> December 2000**

	<u>2000</u>	<u>1999</u>
13. <b><u>Creditors: Falling due within one year</u></b>		
Trade Creditors	52,249	28,676
Directors' Current accounts	10,100	10,100
Corporation Tax	-	7,502
Other Taxes	14,979	20,304
HP Liability	-	3,093
Accruals	<u>8,525</u>	<u>16,790</u>
	<b>£ 85,853</b>	<b>£ 86,465</b>
	<u></u>	<u></u>
14. <b><u>Provisions For Liabilities and Charges</u></b>		
Staff Reorganisation costs arising on acquisition	106,087	106,087
Lease costs arising on acquisition	<u>15,000</u>	<u>15,000</u>
	<b>£ 121,087</b>	<b>£ 121,087</b>
	<u></u>	<u></u>
15. <b><u>Called Up Share Capital</u></b>		
Authorised:		
50,000 £ 1 Ordinary Shares	<b>£ 50,000</b>	<b>£ 50,000</b>
	<u></u>	<u></u>
Issued and fully Paid:		
10,000 £ 1 Ordinary Shares	<b>£ 10,000</b>	<b>£ 10,000</b>
	<u></u>	<u></u>
16. <b><u>Profit and Loss Account</u></b>		
Balance as at 1 <sup>st</sup> December 1999	23,076	-
Loss For the Period	<u>( 30,408)</u>	<u>23,076</u>
Balance as at 31 <sup>st</sup> December 2000	<b>£ ( 7,332)</b>	<b>£ 23,076</b>
	<u></u>	<u></u>

## **PLASMEC SYSTEMS LIMITED**

### **Notes To The Accounts**

### **Year Ended 31<sup>st</sup> December 2000**

	<u>2000</u>	<u>1999</u>
17. <b><u>Reconciliation Of Shareholders' Funds</u></b>		
Shareholders' funds at 1 <sup>st</sup> January 2000	33,076	-
New Share Capital Issued	-	10,000
Loss For The Period	( 30408)	<u>23,076</u>
Shareholders' funds at 31 <sup>st</sup> December 2000	<u>£ 2,668</u>	<u>£ 33,076</u>

The new shares were issued during the period to provide additional working capital for the company.

### 18. **Commitments Under Operating Leases**

At 31<sup>st</sup> December 2000 the company had annual commitments under non-cancellable operating leases as follows:

Land & Buildings – expiring after 5 years	<u>£ 100,000</u>	<u>£ 100,000</u>
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The company's liabilities and obligations under the lease of "Grosvenor House, 36 North Lane, Aldershot, Hampshire" are secured by a debenture dated 1<sup>st</sup> February 1999 creating a fixed charge over specific plant and equipment.