

Registered number  
3579622

COOKE OPTICS LIMITED

Report and Accounts

30 June 2002



# **COOKE OPTICS LIMITED**

## **Report and accounts**

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**COOKE OPTICS LIMITED**  
**Company Information**

**Directors**

L Zellan  
D M G Stevens  
P Sheridan (Non-Executive Director)  
B Lowry (Non-Executive Director)  
J Atkins (Non-Executive Director)

**Secretary**

R W Davis FCA

**Auditors**

John N G Howitt  
2 The Paddock  
Attenborough  
NOTTINGHAM  
NG2 6AR

**Bankers**

HSBC Bank plc  
31 Granby Street  
Leicester  
LE1 6EP

**Solicitors**

Denton Wilde Sapte  
Five Chancery Lane  
LONDON  
EC4A 1BU

**Registered office**

Five Chancery Lane  
LONDON  
EC4A 1BU

**Registered number**

3579622

## COOKE OPTICS LIMITED

### Directors' Report

The directors present their report and accounts for the year ended 30 June 2002.

#### Principal activities and review of the business

The company's principal activity during the year continued to be the design and manufacture of precision optical systems.

The company is continuing to research and develop further precision optical systems and is in a good position to take advantage of any opportunities which may arise in the future.

#### Results and dividends

The profit for the year, after taxation, amounted to £129,890. The directors do not recommend the payment of a dividend.

#### Future developments

The directors aim to maintain the management policies which have resulted in the company's increase in profitability. They consider that the next year should show a further increase in profitability.

#### Directors

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

	As at 30 June	
	£1 Ordinary shares 2002	2001
L Zellan	-	-
D M G Stevens	150	150
B Lowry	-	-
K F Dibben (resigned 21 September 2001)	150	150
J Atkins	250	250
P Sheridan	-	-

L Zellan and B Lowry have an indirect interest in 5,225 (2001 - 5,150) ordinary shares of the company held by ZGC Llc.

J Atkins has an indirect interest in 1,500 ordinary shares of the company held by Hitme Realty Llc.

Senior Executives interests in the share capital of the company as at 30 June were as follows:

	2002	2001
R E Little	225	300
B N Billington	150	145

## **COOKE OPTICS LIMITED**

### **Directors' Report**

#### **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 for that period. In preparing those accounts, the directors are required to:

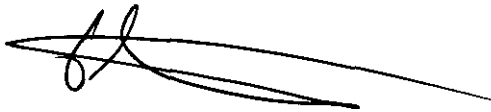
- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining 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**

John N G Howitt have been reappointed as registered auditors of the company.

This report was approved by the board on 6 August 2002.

A handwritten signature in black ink, appearing to be 'D M G Stevens', with a long horizontal line extending to the right.

D M G Stevens  
Director

## **COOKE OPTICS LIMITED**

### **Independent auditors' report to the shareholders of COOKE OPTICS LIMITED**

We have audited the accounts of Cooke Optics Limited for the year ended 30 June 2002 which comprises pages 5 to 17. These accounts have been prepared under the historical cost convention and the accounting policies set out therein.

#### **Respective responsibilities of directors and auditors**

As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the accounts in accordance with law and United Kingdom Accounting Standards.

Our responsibility is to audit the accounts in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the accounts give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Directors' Report is not consistent with the accounts, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

#### **Basis of opinion**

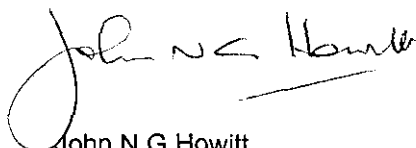
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounts. It also includes an assessment of the significant estimates and judgements made 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 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 the 30 June 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



John N G Howitt

Chartered Accountants and Registered Auditors

2 The Paddock  
Attenborough  
NOTTINGHAM  
NG2 6AR

6 August 2002

**COOKE OPTICS LIMITED**  
**Profit and Loss Account**  
**for the year ended 30 June 2002**

	<b>Notes</b>	<b>2002 £</b>	<b>2001 £</b>
<b>Turnover</b>	2	3,962,205	4,059,238
Cost of sales		(2,067,986)	(2,224,614)
<b>Gross profit</b>		<u>1,894,219</u>	<u>1,834,624</u>
Administrative expenses		(1,626,126)	(1,546,697)
<b>Operating profit</b>	3	<u>268,093</u>	<u>287,927</u>
Exceptional items: profit on the disposal of tangible fixed assets	4	-	3,900
		<u>268,093</u>	<u>291,827</u>
Interest receivable		-	703
Interest payable	7	(122,308)	(153,837)
<b>Profit on ordinary activities before taxation</b>		<u>145,785</u>	<u>138,693</u>
Tax on profit on ordinary activities	8	(15,895)	(135,000)
<b>Profit for the financial year</b>		<u>129,890</u>	<u>3,693</u>
Prior year adjustment : amortisation of goodwill		-	(146,712)
<b>Retained profit/(loss) for the financial year</b>	19	<u>129,890</u>	<u>(143,019)</u>

**Continuing operations**

None of the company's activities were acquired or discontinued during the above two financial years.

**COOKE OPTICS LIMITED**

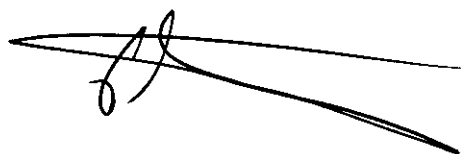
**Statement of total recognised gains and losses  
for the year ended 30 June 2002**

	<b>Notes</b>	<b>2002</b> <b>£</b>	<b>2001</b> <b>£</b>
Profit for the financial year		129,890	3,693
Total recognised gains and losses related to the year		<u>129,890</u>	<u>3,693</u>



**COOKE OPTICS LIMITED**  
**Balance Sheet**  
**as at 30 June 2002**

	Notes	2002 £	2001 £
<b>Fixed assets</b>			
Intangible assets	9	440,136	513,492
Tangible assets	10	1,798,836	2,016,252
		<u>2,238,972</u>	<u>2,529,744</u>
<b>Current assets</b>			
Stocks	11	1,203,348	955,666
Debtors	12	590,626	421,542
Cash at bank and in hand		308	581
		<u>1,794,282</u>	<u>1,377,789</u>
<b>Creditors: amounts falling due within one year</b>	13	(1,759,035)	(1,628,205)
<b>Net current assets/(liabilities)</b>		<u>35,247</u>	<u>(250,416)</u>
<b>Total assets less current liabilities</b>		<u>2,274,219</u>	<u>2,279,328</u>
<b>Creditors: amounts falling due after more than one year</b>	14	(471,864)	(581,674)
<b>Provisions for liabilities and charges</b>			
Deferred taxation	16	(123,270)	(135,000)
		<u>1,679,085</u>	<u>1,562,654</u>
<b>Subordinated loans</b>	17	948,291	961,750
<b>Capital and reserves</b>			
Called up share capital	18	10,000	10,000
Profit and loss account	19	720,794	590,904
<b>Shareholders' funds:</b>			
Equity	20	<u>730,794</u>	<u>600,904</u>
		<u>1,679,085</u>	<u>1,562,654</u>



D M G Stevens  
 Director  
 Approved by the board on 6 August 2002

**COOKE OPTICS LIMITED**  
**Cash Flow Statement**  
**for the year ended 30 June 2002**

	<b>Notes</b>	<b>2002</b> £	<b>2001</b> £
<b>Reconciliation of operating profit to net cash inflow from operating activities</b>			
Operating profit		268,093	287,927
Depreciation charges		301,940	281,713
Amortisation of goodwill		73,356	73,356
Increase in stocks		(247,682)	(13,436)
(Increase)/decrease in debtors		(169,084)	237,383
Decrease in creditors		(10,822)	(471,885)
<b>Net cash inflow from operating activities</b>		<u>215,801</u>	<u>395,058</u>
<b>CASH FLOW STATEMENT</b>			
<b>Net cash inflow from operating activities</b>		215,801	395,058
<b>Returns on investments and servicing of finance</b>	21	(122,308)	(153,134)
<b>Taxation</b>		(27)	28
<b>Capital expenditure</b>	21	<u>(84,524)</u> 8,942	<u>(544,416)</u> (302,464)
<b>Financing</b>	21	(111,308)	318,793
<b>(Decrease)/increase in cash</b>		<u>(102,366)</u>	<u>16,329</u>
<b>Reconciliation of net cash flow to movement in net debt</b>			
<b>(Decrease)/increase in cash in the period</b>		(102,366)	16,329
<b>Decrease/(increase) in debt and lease financing</b>		111,308	(318,793)
<b>Change in net debt</b>	22	<u>8,942</u>	<u>(302,464)</u>
<b>Net debt at 1 July</b>		<u>(2,223,825)</u>	<u>(1,921,361)</u>
<b>Net debt at 30 June</b>		<u>(2,214,883)</u>	<u>(2,223,825)</u>

**COOKE OPTICS LIMITED**  
**Notes to the Accounts**  
**for the year ended 30 June 2002**

**1 Accounting policies**

***Accounting convention***

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

***Intangible fixed assets***

The total gross cost of goodwill carried in the balance sheet is £733,560 relating to the acquisition of Cooke Optics, a division of Taylor Hobson Limited.

Cooke Optics operates in a longstanding and profitable market sector, and has over 100 continuous years of history. The sector has high market entry barriers due to the highly specialised and skilled workforce required.

The directors have considered the cost, current valuation and amortisation of goodwill and decided to amortise the cost on a straight line basis over ten years from the date of purchase.

***Research and Development***

The company is continuing to develop new and improved products and the costs of research and development are written off in the the year in which they are incurred.

***Tangible fixed assets***

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value, of each asset evenly over its expected useful life, as follows:

Leasehold fixtures & fittings	Over the term of the lease
Plant, machinery and tooling	Between 10% and 33% straight line
Motor vehicles	33% reducing balance
Office equipment	33% straight line

***Stocks***

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost includes materials and direct labour appropriate to the relevant stage of production. Net realisable value is based on estimated selling price less all further costs to completion and all relevant

***Deferred taxation***

Deferred taxation is provided on timing differences, arising from the different treatment of items for accounts and taxations purposes, which are expected to reverse in the future, calculated at rates at which it is estimated that the tax will be arise.

***Foreign currencies***

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

**COOKE OPTICS LIMITED**  
**Notes to the Accounts**  
**for the year ended 30 June 2002**

***Leasing and hire purchase commitments***

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their estimated useful lives.

The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the lease term.

***Pensions***

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

***Development costs***

Certain consultancy costs and labour costs relating to development of specific significant projects are capitalised and written off over the period when the product first contributes to revenue. Other development costs are written off to the profit and loss account as incurred.

**2 Turnover**

Turnover represents amounts derived from the provision of goods and services which fall within the company's ordinary activities after deduction of trade discounts and value added tax.

Turnover is attributable to one continuing activity, the manufacture of precision optical systems.

Analysis by geographical market:	2002	2001
	£	£
Within the European Community	1,964,058	1,891,216
Within the USA	1,291,017	1,491,552
Other	707,130	676,546
	<u>3,962,205</u>	<u>4,059,314</u>

**3 Operating profit**

2002	2001
£	£

This is stated after charging:

Depreciation of owned fixed assets	229,053	218,602
Depreciation of assets held under finance leases and hire purchase contracts	72,887	63,111
Amortisation of loan costs	29,368	28,212
Operating lease rentals - land buildings	67,056	67,056
Auditors' remuneration	5,000	4,500
Research and development costs	225,931	247,170

**COOKE OPTICS LIMITED**  
**Notes to the Accounts**  
**for the year ended 30 June 2002**

<b>4</b>	<b>Exceptional items</b>	<b>2002</b> <b>£</b>	<b>2001</b> <b>£</b>
	Profit on disposal of fixed assets	<u>-</u>	<u>3,900</u>
<b>5</b>	<b>Directors' emoluments</b>	<b>2002</b> <b>£</b>	<b>2001</b> <b>£</b>
	Emoluments	69,460	68,891
	Company contributions to money purchase pension schemes	<u>4,750</u>	<u>4,665</u>
		<u>74,210</u>	<u>73,556</u>
	<b>Number of directors in company pension schemes:</b>	<b>2002</b> <b>Number</b>	<b>2001</b> <b>Number</b>
	Money purchase schemes	<u>1</u>	<u>1</u>
<b>6</b>	<b>Staff costs</b>	<b>2002</b> <b>£</b>	<b>2001</b> <b>£</b>
	Wages and salaries	1,349,812	1,401,497
	Social security costs	117,989	128,919
	Pension costs	<u>88,342</u>	<u>94,359</u>
		<u>1,556,143</u>	<u>1,624,775</u>
	<b>Average number of employees during the year</b>	<b>Number</b>	<b>Number</b>
	Administration	8	9
	Manufacturing	<u>53</u>	<u>54</u>
		<u>61</u>	<u>63</u>
<b>7</b>	<b>Interest payable</b>	<b>2002</b> <b>£</b>	<b>2001</b> <b>£</b>
	Bank loans and overdrafts	46,724	62,708
	Subordinated loan interest	40,712	44,552
	Deferred consideration interest	-	19,096
	Finance charges payable under finance leases and hire purchase contracts	<u>34,872</u>	<u>27,481</u>
		<u>122,308</u>	<u>153,837</u>

**COOKE OPTICS LIMITED**  
**Notes to the Accounts**  
**for the year ended 30 June 2002**

8	Taxation	2002 £	2001 £		
	UK corporation tax	27,625	-		
	Deferred taxation (note 16)	(11,730)	135,000		
		<u>15,895</u>	<u>135,000</u>		
9	Intangible fixed assets		£		
	Goodwill:				
	<b>Cost</b>				
	At 1 July 2001		733,560		
	At 30 June 2002		<u>733,560</u>		
	<b>Amortisation</b>				
	At 1 July 2001		220,068		
	Provided during the year		73,356		
	At 30 June 2002		<u>293,424</u>		
	<b>Net book value</b>				
	At 30 June 2002		<u>440,136</u>		
	At 30 June 2001		<u>513,492</u>		
10	Tangible fixed assets				
		<b>Leasehold Fixtures &amp; fittings. Office equipment £</b>	<b>Motor vehicles £</b>	<b>Plant, machinery and tooling £</b>	<b>Total £</b>
	<b>Cost</b>				
	At 1 July 2001	795,104	56,566	1,764,225	2,615,895
	Additions	2,285	-	82,239	84,524
	At 30 June 2002	<u>797,389</u>	<u>56,566</u>	<u>1,846,464</u>	<u>2,700,419</u>
	<b>Depreciation</b>				
	At 1 July 2001	203,222	27,688	368,733	599,643
	Charge for the year	99,546	9,625	192,769	301,940
	At 30 June 2002	<u>302,768</u>	<u>37,313</u>	<u>561,502</u>	<u>901,583</u>
	<b>Net book value</b>				
	At 30 June 2002	<u>494,621</u>	<u>19,253</u>	<u>1,284,962</u>	<u>1,798,836</u>
	At 30 June 2001	<u>591,882</u>	<u>28,878</u>	<u>1,395,492</u>	<u>2,016,252</u>
				<b>2002 £</b>	<b>2001 £</b>
	Net book value of plant and machinery included above held under finance leases and hire purchase contracts			511,256	496,840

**COOKE OPTICS LIMITED**  
**Notes to the Accounts**  
**for the year ended 30 June 2002**

<b>11 Stocks</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Raw materials and consumables	989,504	653,281
Work in progress	213,844	302,385
	<u>1,203,348</u>	<u>955,666</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

<b>12 Debtors</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Trade debtors	492,918	314,379
Other debtors	26,020	19,685
Prepayments and accrued income	53,658	48,031
Value added tax debtor	18,030	39,447
	<u>590,626</u>	<u>421,542</u>

<b>13 Creditors: amounts falling due within one year</b>	<b>2002</b>	<b>2001</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	671,519	566,176
Obligations under finance lease and hire purchase contracts	123,517	114,806
Trade creditors	367,437	474,559
Corporation tax	27,598	-
Other taxes and social security costs	32,256	35,952
ZGC Inc current account	288,976	1,957
Accruals and deferred income	247,732	301,422
Deferred consideration	-	133,333
	<u>1,759,035</u>	<u>1,628,205</u>

<b>14 Creditors: amounts falling due after one year</b>	<b>2002</b>	<b>2001</b>
Bank loans	228,518	321,633
Obligations under finance lease and hire purchase contracts	243,346	260,041
	<u>471,864</u>	<u>581,674</u>

The bank loans are secured by a charge over all leasehold property and floating charges over the assets of the company. Obligations under finance leases and hire purchase agreements are wholly repayable within five years and are secured against their related assets.

	<b>£</b>	<b>£</b>
Analysis of maturity of bank loan:		
Within one year or on demand	200,000	208,750
Between one and two years	233,333	341,250
Less: offset of financing costs	(4,815)	(31,617)
	<u>428,518</u>	<u>518,383</u>

**COOKE OPTICS LIMITED**  
**Notes to the Accounts**  
**for the year ended 30 June 2002**

<b>15 Obligations under finance leases and hire purchase contracts</b>	<b>2002 £</b>	<b>2001 £</b>
Amounts payable:		
Within one year	123,517	114,806
Within two to five years	243,346	260,041
	<u>366,863</u>	<u>374,847</u>

<b>16 Deferred taxation</b>	<b>2002 £</b>	<b>2001 £</b>
At 1 July	135,000	-
Charged to the profit and loss account	(11,730)	135,000
	<u>123,270</u>	<u>135,000</u>

Capital allowances in advance of depreciation

**17 Subordinated Loans**

	<b>ZGC Inc. Loan £</b>	<b>Other Loans £</b>	<b>Total £</b>
Within one year	-	-	-
Between 2-5 years	-	347,378	347,378
Outwith 5 years	653,000	-	653,000
	<u>653,000</u>	<u>347,378</u>	<u>1,000,378</u>
Less: offset of financing costs	34,000	18,087	52,087
	<u>619,000</u>	<u>329,291</u>	<u>948,291</u>

The company must obtain written consent from these lenders prior to the creation of a mortgage or charge on the whole or any part of its assets.

Repayments of the loans cannot be sought, until all bank loans have been repaid in full, or otherwise with the consent of the bank.

The loans are unsecured and the ZGC Inc. loan bears interest at 2% and the other loans bear interest at 8%.

The ZGC Inc. loan is a related party loan, details of the relationship are given in note 26.



**COOKE OPTICS LIMITED**  
**Notes to the Accounts**  
**for the year ended 30 June 2002**

<b>18 Share capital</b>			<b>2002</b>	<b>2001</b>
			<b>£</b>	<b>£</b>
Authorised:				
Ordinary shares of £1 each			<u>100,000</u>	<u>100,000</u>
	<b>2002</b>	<b>2001</b>	<b>2002</b>	<b>2001</b>
	<b>No</b>	<b>No</b>	<b>£</b>	<b>£</b>
Allotted, called up and fully paid:				
Ordinary shares of £1 each	10,000	10,000	<u>10,000</u>	<u>10,000</u>
<b>19 Profit and loss account</b>			<b>2002</b>	<b>2001</b>
			<b>£</b>	<b>£</b>
At 1 July			590,904	733,923
Retained profit/(loss)			129,890	(143,019)
			<u>720,794</u>	<u>590,904</u>
At 30 June				
<b>20 Reconciliation of movement in shareholders' funds</b>			<b>2002</b>	<b>2001</b>
			<b>£</b>	<b>£</b>
At 1 July			600,904	743,923
Profit/(loss) for the financial year			129,890	(143,019)
			<u>730,794</u>	<u>600,904</u>
At 30 June				
<b>21 Gross cash flows</b>			<b>2002</b>	<b>2001</b>
			<b>£</b>	<b>£</b>
<b>Returns on investments and servicing of finance</b>				
Interest received			-	703
Interest paid			(87,436)	(126,356)
Interest element of finance lease rental payments			(34,872)	(27,481)
			<u>(122,308)</u>	<u>(153,134)</u>
<b>Capital expenditure</b>				
Payments to acquire tangible fixed assets			(84,524)	(548,316)
Receipts from sales of tangible fixed assets			-	3,900
			<u>(84,524)</u>	<u>(544,416)</u>
<b>Financing</b>				
New loans raised			(13,459)	(13,459)
Loan repayments			(89,865)	119,657
Capital element of finance lease rental payments			(7,984)	212,595
			<u>(111,308)</u>	<u>318,793</u>

**COOKE OPTICS LIMITED**  
**Notes to the Accounts**  
**for the year ended 30 June 2002**

**22 Analysis of changes in net debt**

	At 1 Jul 2001 £	Cash flows £	Non-cash changes £	At 30 Jun 2002 £
Cash at bank and in hand	581	(273)		308
Overdrafts	(369,426)	(102,093)		(471,519)
		(102,366)		
Debt due within 1 year	(196,750)	(3,250)		(200,000)
Debt due after 1 year	(1,283,383)	106,574		(1,176,809)
Finance leases	(374,847)	7,984		(366,863)
		111,308		
Total	(2,223,825)	8,942	-	(2,214,883)

**23 Capital commitments**

	2002 £	2001 £
Amounts contracted for but not provided in the accounts	-	75,500

**24 Other financial commitments**

At the year end the company had annual commitments under non-cancellable operating leases as set out below:

	Leasehold buildings 2002 £	Leasehold buildings 2001 £	Other 2002 £	Other 2001 £
Operating leases which expire: in over five years	67,056	67,056	-	-

**25 Contingent liabilities**

The company has a contingent liability in respect of lenses sold to customers under its normal trade warranty. The directors are not aware of any significant warranty claims and therefore no liability has been provided for.

**COOKE OPTICS LIMITED**  
**Notes to the Accounts**  
**for the year ended 30 June 2002**

**26 Related parties**

The company made sales to ZGC Inc. of £910,417 (2001 - £1,157,111). ZGC Inc. are related to the holders of a majority shareholding in Cooke Optics Limited, ZGC Llc by virtue of common ownership. The transactions were carried out at arms' length and on normal commercial terms. At the period end there was no balance outstanding, (2001 £Nil)

In addition, the company made purchases of £462,771 ( 2001 - £638,409) from Cannon Engineering and Associates, the holders of a minority shareholding in the company. These transactions were also carried out at arms' length and under normal commercial terms. At the year end, the balance owed by Cooke Optics Limited was £78,184 (2001 - £182,855). This balance was included within the trade creditors.

**27 Controlling party**

The company's ultimate parent company is ZGC Llc, a company registered in the USA.