1298891

17

SAUTER AUTOMATION LIMITED

DIRECTORS REPORT

The Directors have pleasure in presenting their Report and the Audited Accounts for the year ended 31st December, 1978.

ACTIVITY AND RESULTS

The principal activity of the Company continues to be the marketing, manufacturing, installation and maintenance of control systems.
The results for the year are set out in the annexed Profit and Loss Account.
Direct and Indirect Exports during the year amounted to £89,643.

DIVIDENDS

There is no recommendation as to dividends.

FIXED ASSETS

The Land and Building shown in the Balance Sheet at £13,768 are estimated by the Directors to be worth £70,000 at current market values, provided they are used for their present purposes.

The changes in the fixed assets of the Company are set out in the annexed notes to the accounts.

SHARE CAPITAL

There have been no changes in the issued share capital of the Company during the year.

DIRECTORS

The Directors of the Company are as follows:

B. Junker - Chairman (Swiss)
D.G. Gilboy - Managing Director
L.J. Hodges
D.L. Godley - Chief Accountant

D.L. Godley was appointed to the Board on 1st February, 1979.

Your directors have had no interest in the shares of the Company during the year.

EMPLOYEES

During the year, the weekly number of employees of the Company averaged below 100.

AUDITORS

The Auditors, Messrs. B. Fish and Partners, will offer themselves for re-appointment at the forthcoming General Meeting in accordance with the provisions of Section 14(1) of the Companies Act 1976.

OTHER MATERIAL MATTERS

The Company is a wholly owned subsidiary of Fr. Sauter S.A., Basle.

COMPANIES REGISTRATION
-4 JUN 1979
36
OFFICE

By Order of the Board

D.L. Godley (Secretary)

6th April, 1979.

Registered Office of the Company

337, Bath Road,
SLOUGH.
Berks.

REPORT OF THE AUDITORS TO THE MEMBERS OF SAUTER AUTOMATION LIMITED.

We have examined the Accounts set out on Pages III to VIII which have been prepared under the historical cost convention.

In our opinion these Accounts give, under that convention, a true and fair view of the state of affairs of the Company at 31st December, 1978, and of the loss (and of the source and application of funds) for the year ended on that date, and comply with the Companies Acts 1948 and 1967.

E. FISH AND PARTNERS

Chartered Accountants

Syma House,
Halifax Road,
Cressex Estate,
High Wycombe.
Bucks.

5th April, 1979.

SAUTER AUTOMATION LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31st DECEMBER, 1978

NOTES		1978	Period to 31.12.77
		£	£
2	TURNOVER	1,034,298	536,184
3	NET OPERATING LOSS	26,229	95,656
4	TAXATION	-	-
	NET LOSS FOR THE YEAR	26,229	95,656
	Balance brought forward	95,656	-
	ACCUMULATED LOSSES CARRIED FORWARD	£ 121,885	£95,656

The attached notes form an integral part of these accounts.

SAUTER AUTOMATION LIMITED

(A SUBSIDIARY OF Fr. SAUTER S.A.)

BALANCE SHEET AS AT 31st DECEMBER, 1978

EMPLOYMENT OF CAPITAL		1978		1977	
NOTES		£	£	£	£
	FIXED ASSETS				
5	Land and Buildings		13,768		12,782
6	Plant, Machinery, Fixtures and Motor Vehicles		30,433		33,432
			44,201		46,214
	CURRENT ASSETS				
1b	Stocks and Work-in-Progress	233,771		127,873	
7	Debtors	333,510		118,371	
	Cash and Bank Balances	1,196		968	
		568,477		247,212	
	Less: CURRENT LIABILITIES				
	Creditors	221,866		113,450	
8	Bank Overdrafts	65,580		71,312	
		287,446		184,762	
	NET CURRENT ASSETS		281,031		62,450
			325,232		108,664
	GROUP COMPANIES				
9	Current Accounts		397,117		154,320
	NET LIABILITIES		£71,885		£45,656
CAPITAL EMPLOYED					
10	SHARE CAPITAL		50,000		50,000
	ACCUMULATED LOSSES		121,885		95,656
			£ 71,885		£ 45,656

.... (L.G. Gilbey) } Directors

.... (L.J. Hodges)

The attached notes form an integral part of these accounts.

SAUTER AUTOMATION LIMITED

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31st DECEMBER, 1978.

1. ACCOUNTING POLICIES

(a) Depreciation

All assets except Land and Buildings are depreciated on a straight line basis. The rates are:-

Plant	.. 10%
Machinery	.. 10%
Fixtures and Fittings	.. 10%
Motor Vehicles	.. 25%

Leasehold Properties are being amortised by equal instalments over the period of the lease.

(b) Stocks and Work-in-Progress

Stocks (including Work-in-Progress) are stated at the lower of cost (based on exchange rates ruling on 31st December, or net realisable value).

The amount shown in the Balance Sheet is after deducting cash received on account of Work-in-Progress amounting to £58,370.

(c) Rates of Exchange

Liabilities to Group Companies are stated in sterling at rates ruling at the Balance Sheet date. Differences on conversion and differences arising on the settlement of trading transactions are charged to trading account and profit and loss account respectively.

The principal rates used (units of foreign currency to the £ sterling) were:-

Country	Average	Year End
Switzerland	3.82	3.30
Germany	4.00	3.71
France	8.90	8.50

2. TURNOVER

Turnover represents the amount receivable for goods sold and services rendered in the ordinary course of business.

3. NET OPERATING LOSS is after charging

	1978	1977
Directors Remuneration	11,500	10,500
Depreciation and Amortisation	6,944	6,775
Bank Interest	8,731	4,802
Auditors Remuneration	2,200	2,000

4. TAXATION

No Corporation Tax liability arises from the results shown by these accounts. Corporation Tax Losses amounting to approximately £329,000 are available to set off against future profits (1977 - £207,000).

NOTES ON THE ACCOUNTS - PAGE 2

5. LAND AND BUILDINGS

	Leasehold Short Leases
Cost at 1.1.1978	£14,613
Additions at Cost	3,281
At 31.12.1978	£17,894
Amortisation at 1.1.1978	£ 1,831
Charged to Profit and Loss Account	2,295
At 31.12.1978	£ 4,126
NET BOOK VALUE AT 31.12.1978	£13,768

6. PLANT, MACHINERY, FIXTURES AND MOTOR VEHICLES

	Plant	Fixtures and Fittings	Motor Vehicles	Equip.	Total
Cost					
Balance 1.1.1978	9,322	20,806	6,900	1,348	38,376
Additions	1,025	2,799	-	1,132	4,956
Item Sold	-	-	(5,317)	-	(5,317)
	10,347	23,605	1,583	2,480	38,015
Depreciation					
Balance 1.1.1978	933	2,080	1,797	134	4,944
Charge for Year	1,034	2,360	1,007	248	4,649
Disposal Adjustment	-	-	(2,011)	-	(2,011)
	1,967	4,440	793	382	7,582
NET BOOK VALUE	£8,380	£19,165	£ 790	£2,098	£30,433

7. DEBTORS AND PREPAYMENTS

Debtors are stated after deducting £7,500 (1977 - £2,500) as provision for bad and doubtful debts.

8. BANK OVERDRAFTS

The Swiss Bank Corporation hold the following facility at the disposal of the Company:-

Blank Credit of £175,000 supported by the guarantee of Parent Company.

NOTES ON THE ACCOUNTS - PAGE 3

9. GROUP COMPANIES - CURRENT ACCOUNTS

Amounts due to the Parent Company	£373,120
Amounts due to Fellow Subsidiaries	£ 23,997
	£397,117

10. SHARE CAPITAL

	1978	1977
Authorised 50,000 Ordinary Shares of £1 each	50,000	50,000
Issued and Fully Paid 50,000 Ordinary Shares of £1 each	50,000	50,000

11. CONTINGENT LIABILITIES

The Company had no contingent liabilities at 31st December, 1978.

12. CAPITAL COMMITMENTS

	£
a) Contracted for but not provided in the Accounts	NIL
b) Authorised by Directors but not contracted for	NIL

13. STATUS

The Company is a close company under the provisions of the Income and Corporation Taxes Act 1970 but in the opinion of the Directors the shareholders are not liable to date for any assessment under the Apportionment of Income provisions of the Finance Act 1972.

SAUTER AUTOMATION LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED 31st DECEMBER, 1978

	1978		10 months to 31.12.1977	
		£		£
SOURCE OF FUNDS				
Loss before Taxation		(26,229)		(95,656)
Adjustment for item not involving the outlay of funds:				
Depreciation		6,944		8,716
Profit on Sale of Fixed Assets		(419)		(46)
TOTAL GENERATED FROM OPERATIONS		(19,704)		(86,986)
Share Issue		-	50,000	
Proceeds from Sale of Fixed Assets		3,725	15,155	
Group Companies Accounts		242,797	154,320	219,475
		£226,818		£132,489
APPLICATION OF FUNDS				
Purchase of Fixed Assets (for details see notes 5 and 6 above)		8,237		70,039
MOVEMENT IN WORKING CAPITAL				
a) CURRENT ASSETS				
Increase in Stocks	105,898		127,873	
Increase in Debtors	215,139		118,371	
	321,037		246,244	
b) CURRENT LIABILITIES				
Increase in Creditors	(108,416)		(113,450)	
c) MOVEMENT IN LIQUID FUNDS:-				
Increase in Cash and Bank Balances	5,960		(70,344)	
NET INCREASE IN WORKING CAPITAL		218,581		62,450
		£226,818		£132,489