

**Auditors' report on abbreviated statements to the Directors of  
Advantage Technologies Limited  
Pursuant to paragraph 24 of Schedule 8 to the Companies Act 1985**

We have examined the abbreviated financial statements on pages 2 to 4 together with the full financial statements of Advantage Technologies Limited for the year ended 31<sup>st</sup> March 1997. The scope of our work for the purpose of this report was limited to confirming that the company is entitled to the exemptions claimed in the Directors statement on page 2 and that the abbreviated financial statements have been properly prepared from the full financial statements.

In our opinion the company is entitled under Sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part 111 of Schedule 8 to that Act in respect of the year ended 31<sup>st</sup> March 1997 and the abbreviated financial statements on pages 2 to 4 have been properly prepared in accordance with that Schedule.

On 9<sup>th</sup> December 1997, we reported, as auditors of Advantage Technologies Limited to the members on the full financial statements prepared under Section 226 of the Companies Act 1985 for the year ended 31<sup>st</sup> March 1997 and our audit report was as follows:

We have audited the financial statements on pages 2 to 4, which have been prepared under the accounting policies set out on page 3.

**Respective Responsibilities of Directors and Auditors**

As described on page 5, 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 financial statements and report our opinion to you.

**Basis of Opinion**

We conducted our audit in accordance with Accounting Standards issued by the Auditing Practises 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 judgements 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 a reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. 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 31<sup>st</sup> March 1997 and of its profit for the period then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

**Winch & Company  
Registered Auditors &  
Chartered Accountant**

..... *Winch & Co* .....

**9<sup>th</sup> December 1997**  
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# Advantage Technologies Limited

## Abbreviated Balance Sheet

As at 31st March 1997

|  | Note | 1997            | 1996            |
|--|------|-----------------|-----------------|
|  |      | £               | £               |
| <b>Fixed assets</b>  |      |                 |                 |
| Tangible Assets  | 3    | 54,235          | 53,895          |
| Intangible Assets  |      | <u>12,500</u>   | <u>12,500</u>   |
|  |      | 66,735          | 66,395          |
| <b>Current assets</b>  |      |                 |                 |
| Stock  |      | 28,075          | 15,841          |
| Debtors  |      | 199,394         | 212,983         |
| Cash in hand   |      | 30,928          | 77,417          |
|  |      | <u>258,397</u>  | <u>306,241</u>  |
| <b>Creditors: Amounts falling due within one year</b>          |      | 279,202         | 247,890         |
| <b>Net current liabilities/assets</b>                          |      | (20,805)        | 58,351          |
| <b>Total assets less current liabilities</b>                   |      | <u>45,930</u>   | <u>124,746</u>  |
| <b>Creditors: Amounts falling due after more than one year</b> |      | 19,198          | 18,869          |
| Directors loan accounts  |      | 8,437           | 48,996          |
| <b>Provision for liabilities and charges</b>                   |      |                 |                 |
| Deferred taxation  |      | -               | -               |
|  |      | <u>£ 18,295</u> | <u>£ 56,881</u> |
| <b>Represented by:</b>   |      |                 |                 |
| Called up Share capital  | 2    | 50,000          | 50,000          |
| Profit and loss account  |      | (31,705)        | 6,881           |
|  |      | <u>£ 18,295</u> | <u>£ 56,881</u> |

The Directors have taken advantage of the exemptions conferred by section A of part 111 of schedule 8 to the Companies Act 1985 on the basis that the Company qualifies as a small company.

Signed by a Director on the Board

Director

Approved by the Board: 9th December 1997

# Advantage Technologies Limited

## Notes to and forming part of the Abbreviated Accounts For the year ended 31<sup>st</sup> March 1997

### 1 Accounting policies

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The accounts are prepared under the historical cost convention.

#### Depreciation

Depreciation is provided on all tangible fixed assets, on a reducing basis, at rates calculated to write off the cost or valuation, less estimated residual value of each asset over its expected useful life, as follows:

|                                 |     |
|---------------------------------|-----|
| Motor Vehicles                  | 25% |
| Equipment, Furniture & Fixtures | 20% |

#### Stocks

Stocks are stated at the lower of cost and net realisable value.

Net realisable value is based on estimated selling price less further costs expected to be incurred to completion and disposal.

#### Deferred taxation

Deferred taxation is provided on all timing differences.

#### Leasing and hire purchase commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the Balance Sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to 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 as incurred.

### 2 Called up share capital

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|   | 1997<br>£ | 1996<br>£ |
|---|-----------|-----------|
| <b>Authorised</b>                       |           |           |
| Ordinary shares of £1 each              | 100,000   | 100,000   |
|   | =====     | =====     |
| <b>Issued, called up and fully paid</b> |           |           |
| £1 ordinary shares                      | 50,000    | 50,000    |
|   | =====     | =====     |

# Advantage Technologies Limited

Notes to and forming part of the Abbreviated Accounts  
For the year ended 31<sup>st</sup> March 1997

## 3 Fixed assets

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|                     | Tangible Fixed Assets<br>£ |
|---------------------|----------------------------|
| Cost                |                            |
| As at 010496        | 68,813                     |
| Additions           | 23,127                     |
| Disposals           | -6,042                     |
| As at 310397        | <u>85,898</u>              |
| Depreciation        |                            |
| As at 010496        | 14,918                     |
| Charge for the Year | 18,256                     |
| Disposals           | -1,511                     |
| As at 310397        | <u>31,663</u>              |
| Net Book Value      |                            |
| As at 310397        | <u>54,235</u>              |
| As at 310396        | <u>53,895</u>              |

# Advantage Technologies Limited

## Directors Report

For the year ended 31<sup>st</sup> March 1997

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### Statement of the Directors responsibilities

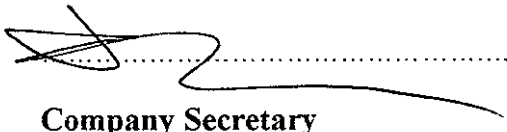
We are required under Company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

- Select suitable accounting policies and apply them consistently:
- Make reasonable and prudent judgements and estimates:
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- Keeping proper accounting records;
- Safeguarding the company's assets:
- Taking reasonable steps for the prevention and detection of fraud.

By order of the Board



Company Secretary

9<sup>th</sup> December 1997