
CONSTRUCTION ROBOTICS LIMITED

REPORT AND FINANCIAL STATEMENTS

◆ *Year ended 31 March 1998* ◆

2680754



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COMPANY INFORMATION

Directors	N A Eldred (Chairman) A T Dolman (Resigned 29 January 1998) R H Allardice
Secretary	I G Bruce (resigned 31 July 1997) C W Hodgson (appointed 31 July 1997)
Registered office	Olympic Court Third Avenue The Village Trafford Park Manchester M17 1AP
Registered number	2680769
Auditors	RSM Robson Rhodes Chartered Accountants Colwyn Chambers 19 York Street Manchester M2 3BA
Bankers	National Westminster Bank Plc Main Street Grange over Sands LA11 4DX

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements for the year ended 31 March 1998.

Principal activities

The principal activity of the company is the design, development, manufacture and sale of mechanical handling equipment.

Directors

The directors of the company are set out on page 1. Mr A T Dolman no longer holds any ordinary shares (1997 - 20 Ordinary shares). No other Director has any interest in shares of the company.

Post Balance Sheet Event

In December 1998 the company disposed of its investment on UK Robotics Limited realising net proceeds of £188,399.

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 the company and of the profit and loss of the company for that period. In preparing these financial statements, the directors have:

- ◆ selected suitable accounting policies and applied them consistently;
- ◆ made judgements and estimates that are reasonable and prudent;
- ◆ followed applicable accounting standards; and
- ◆ prepared the financial statements on the going concern basis.

The directors are 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. 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.

REPORT OF THE DIRECTORS (Continued)

Year 2000

The Directors and Senior Management are aware of the 2000 issue and of our responsibility to ensure the Company's Systems are Year 2000 compliant. We acknowledge our responsibility for evaluating the actual or potential effects of the Year 2000 issue on our business.

We have evaluated the actual or potential effects of the Year 2000 issue on our information and other systems, on the business or more generally on our relationships with trading parties. We have concluded that there are no material effects.


Auditors

The auditors changed their name to RSM Robson Rhodes on 18 October 1999 and accordingly have signed their audit report using the new name. They are willing to continue in office, and a resolution to re-appoint them will be proposed at the Annual General Meeting.

Approval

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

The report of the directors was approved by the Board on 16 November 1999 and signed on its behalf by:



C W Hodgson
Secretary

AUDITOR'S REPORT

Auditors' Report to the Shareholders

We have audited the financial statements on pages 5 to 10 which have been prepared on the basis of the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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 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 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 affairs of the company as at 31 March 1998 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

RSM Robson Rhodes

RSM Robson Rhodes
Chartered Accountants and Registered Auditor

Manchester

17 November

1999

CONSTRUCTION ROBOTICS LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 March 1998

	Note	1998 £	1997 £
Turnover	2	15,000	9,000
Net Operating expenses			
Development costs		(13,659)	(15,900)
Administrative expenses		(162,341)	(45,252)
		<hr/>	<hr/>
Loss on ordinary activities before taxation	3	(161,000)	(52,152)
Taxation		-	-
		<hr/>	<hr/>
Loss on ordinary activities after taxation retained for the year	10	(161,000)	(52,152)
		<hr/> <hr/>	<hr/> <hr/>

There were no recognised gains or losses in the year other than those reported above.

RECONCILIATION OF MOVEMENT IN THE SHAREHOLDERS' FUNDS


	1998 £	1997 £
Total recognised losses	(161,000)	(52,152)
Opening shareholders' deficit	(65,116)	(12,964)
	<hr/>	<hr/>
Closing shareholders' deficit	(226,116)	(65,116)
	<hr/> <hr/>	<hr/> <hr/>

CONSTRUCTION ROBOTICS LIMITED**BALANCE SHEET
at 31 March 1998**

	Note	£	1998	£	£	1997	£
Fixed assets							
Tangible assets	4			181,336			265,000
Investments	5			252			-
				<u>181,588</u>			<u>265,000</u>
Current assets							
Debtors	6		-			14,516	
Cash at bank and in hand			1,614			10,014	
			<u>1,614</u>			<u>24,530</u>	
Creditors: Amounts falling due within one year	7		(409,318)			(354,646)	
			<u>(409,318)</u>			<u>(354,646)</u>	
Net current liabilities				(407,704)			(330,116)
				<u>(407,704)</u>			<u>(330,116)</u>
Net liabilities				(226,116)			(65,116)
				<u>(226,116)</u>			<u>(65,116)</u>
Capital and reserves							
Share capital	8			100			100
Share premium account	9			19,970			19,970
Profit and loss account	10			(246,186)			(85,186)
				<u>(226,116)</u>			<u>(85,186)</u>
Equity shareholders' funds				(226,116)			(65,116)
				<u>(226,116)</u>			<u>(65,116)</u>

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

The financial statements were approved by the Board on 16 November 1999 and signed on its behalf by:


Robert Harold Allardice
Director

NOTES TO THE FINANCIAL STATEMENTS**31 March 1998****1. ACCOUNTING POLICIES****Basis of accounting**

The financial statements are prepared under the historical cost convention.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemption available in Section 246 to 247 of the Companies Act 1985 for small companies.

The directors consider it appropriate to prepare the financial statements on the going concern basis.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives. The principal annual rates used are:

Plant and machinery	-	25%
Plant and machinery under construction	-	50%

Research and Development

Research and development is written off to Profit and Loss Account as incurred except where there is reasonable certainty that future sales directly relating to the expenditure will result.

2. TURNOVER

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities stated net of value added tax.

3. OPERATING LOSS

Operating loss is arrived at after charging:

	1998 £	1997 £
Depreciation	100,416	1,409
Directors' remuneration	-	23,069
Auditors' remuneration	1,000	1,615
	<u> </u>	<u> </u>

CONSTRUCTION ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 March 1998

4. TANGIBLE FIXED ASSETS

	Plant and machinery under construction £	Plant and machinery £	Total £
Cost or valuation			
At 1 April 1997	265,000	7,166	272,166
Additions	13,342	3,410	16,752
	<hr/>	<hr/>	<hr/>
At 31 March 1998	278,342	10,576	288,918
	<hr/>	<hr/>	<hr/>
Depreciation			
At 1 April 1997	-	7,166	7,166
Charge for year	100,171	245	100,416
	<hr/>	<hr/>	<hr/>
At 31 March 1998	100,171	7,411	107,582
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 March 1998	178,171	3,165	181,336
	<hr/>	<hr/>	<hr/>
At 31 March 1997	265,000	-	265,000
	<hr/>	<hr/>	<hr/>

5. INVESTMENTS

	1998 £	1997 £
Cost	252	-
	<hr/>	<hr/>

The investment represents shares in group undertakings and participating interests.

	Capital and Reserves 31.3.98 £	Profit/(loss) for the Period ended 31.3.98 £	Interest in ordinary shares
Group Undertakings			
Deneb Solutions Limited	230,617	(26,242)	100%
Participating Interests			
UK Robotics Limited	1,229,000	(308,000)	25%

The 25% shareholding in UK Robotics Limited was sold in December 1998 realising net proceeds of £188,399.

CONSTRUCTION ROBOTICS LIMITED

NOTES TO THE FINANCIAL STATEMENTS**31 March 1998****6. DEBTORS**

	1998	1997
	£	£
Trade debtors	-	9,000
Other debtors	-	5,516
	<hr/>	<hr/>
	-	14,516
	<hr/>	<hr/>

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1998	1997
	£	£
Amount owed to parent company	401,665	293,799
Other creditors	7,653	60,847
	<hr/>	<hr/>
	409,318	354,646
	<hr/>	<hr/>

8. CALLED UP SHARE CAPITAL

	1998		1997	
	Number of		Number of	
	shares	£	shares	£
Authorised				
Ordinary shares of £1 each	1,000	1,000	1,000	1,000
	<hr/>	<hr/>	<hr/>	<hr/>
Allotted called up and fully paid	100	100	100	100
	<hr/>	<hr/>	<hr/>	<hr/>

9. SHARE PREMIUM ACCOUNT

	£
At 31 March 1997 and at 31 March 1998	19,970
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NOTES TO THE FINANCIAL STATEMENTS**31 March 1998****10. PROFIT AND LOSS ACCOUNT**

	£
At 1 April 1997	(85,186)
Loss for the year	(161,000)
	<hr/>
At 31 March 1998	(246,186)
	<hr/> <hr/>

11. ULTIMATE PARENT UNDERTAKING

Intelligent Systems Solutions Limited, a company incorporated in England owns 100% (1997 80%) of the issued ordinary shares of the company.

12. RELATED PARTY TRANSACTIONS

Intelligent Systems Solutions Limited has made loan advances during the year. These advances are interest free and are repayable on demand. In addition, the company paid management charges of £9,000 and received management charges of £15,000 during the year to (from) Intelligent Systems Solutions Limited, its ultimate parent company. The company owed £401,665 to Intelligent Systems Solutions Limited at 31 March 1998.