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DEXLEC REWINDS LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY, 1994



ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OF

DEXLEC REWINDS LIMITED

I have examined, without carrying out an audit, the accounts for the year ended 31 May, 1994, set out on pages 1 to 5.

Respective Responsibilities of Directors and Auditors

As described on page 2 the Company's Directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is my responsibility to examine the accounts, and, based on my examination, to report my opinion, as set out below, to the shareholders.

Basis of Opinion

I conducted my examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of preparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as I considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly I do not express an audit opinion on the accounts. Therefore my examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

Opinion

In my opinion :

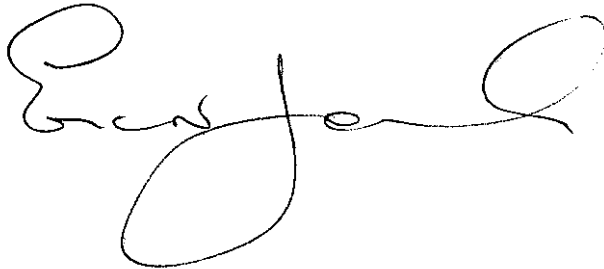
- (a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records :
 - (i) The accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and

Continued.....

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OF

DEXLEC REWINDS LIMITED

- (b) (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

A handwritten signature in black ink, appearing to read 'Eric N. Jones', with a large, stylized loop at the end.

ERIC N. JONES & CO.,
REPORTING ACCOUNTANTS

DATE 15 March 1995

STRATFORD HOUSE,
149, STANLEY ROAD,
BOOTLE,
MERSEYSIDE,
L20 3DL

DEXLEC REWINDS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MAY, 1994

The Directors present their Report and Financial Statements for the year ended 31 May, 1994.

DIRECTORS' STATEMENT OF RESPECTIVE 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 affairs of the Company and of the profit and loss of the Company for that period. In preparing those Financial Statements, the Directors are required to :-

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departure disclosed and explained in the Financial Statements.
- Prepare the Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time and financial position of the Company and to 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 taking reasonable steps for the prevention and detection of fraud and other irregularities.

REVIEW OF THE BUSINESS

The principal activity during the year was that of Motor Rewinding.

DIRECTORS' AND THEIR INTERESTS

The Directors' throughout the year, together, with their interest in the share capital were as follows :-

	<u>At 31 May, 1993</u> <u>Ordinary Shares</u>	<u>At 31 May, 1994</u> <u>Ordinary Shares</u>
P. Downey	34	34
D. Gillam	33	33
M. Dexter	33	33

.....
P. Downey
SECRETARY

.....
DATE 13.3.95

DEXLEC REWINDS LIMITEDPROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MAY, 1994

	<u>NOTES</u>		<u>PREVIOUS YEAR</u>
Turnover	1(c)	145,120	128,020
Cost of Turnover		40,361	37,152
GROSS PROFIT		104,759	90,868
Other Operating Expenses		92,841	60,417
Operating Profit	2/3	11,918	30,451
Interest Payable	4	753	646
Profit on Ordinary Activities Before Taxation		11,165	29,805
Tax on Profit on Ordinary Activities	5	2,911	7,586
Profit on Ordinary Activities After Taxation		8,254	22,129
Dividend Paid		-	24,243
		8,254	(2,024)
Retained Profit Brought Forward		807	2,831
Retained Profit(Loss) Carried Forward		£ 9,061	£ 807

The Notes on pages 3 to 5 form part of these Financial Statements.

DEXLEC REWINDS LIMITEDBALANCE SHEET AS AT 31 MAY, 1994

<u>FIXED ASSETS</u>	<u>NOTES</u>		<u>PREVIOUS YEAR</u>
Tangible Assets	6	6,429	8,453
Intangible Assets	7	3,000	3,500
		<u>9,429</u>	<u>11,953</u>
<u>CURRENT ASSETS</u>			
Stock & Work In Progress	8	14,449	4,833
Debtors	9	62,037	63,577
Cash in Hand		74	-
		<u>76,560</u>	<u>68,410</u>
<u>CREDITORS</u> : Amounts Falling Due Within One Year	10	76,828	79,456
NET CURRENT ASSETS (LIABILITIES)		(268)	(11,046)
		<u>£ 9,161</u>	<u>£ 907</u>
<u>CAPITAL AND RESERVES</u>			
Called Up Share Capital	11	100	100
Profit & Loss Account		9,061	807
		<u>£ 9,161</u>	<u>£ 907</u>

The Directors are satisfied that the company is entitled to exemption under section 249A(2) of the Companies Act 1985 and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

The Directors acknowledge their responsibilities for :-

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Companies Act 1985: and
- (ii) prepared accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985, and which otherwise comply with the requirements of this Act relating to accounts, so far as applicable to the company.

...P. Downey..... DIRECTOR

...D. G. Gilman..... DIRECTOR

...13.3.95..... DATE

The Notes on pages 3 to 5 form part of these Financial Statements.

DEXLEC REWINDS LIMITEDNOTES TO THE FINANCIAL STATEMENTS AS AT 31 MAY, 19941. ACCOUNTING POLICIESa) Accounting Convention

The Accounts are prepared under the historical cost convention.

b) Depreciation

Depreciation is provided on all tangible fixed assets as follows :-

Motor Vehicles	-	25% on the reducing balance basis
Fixtures, Fittings & Equipment	-	15% on the reducing balance basis
Computer Equipment	-	20% on the reducing balance basis

c) Turnover

Turnover represents income from Motor Rewinding.

d) Stock and Work In Progress

Stock has been valued at the lower of cost and net realisable value.
Work in Progress has been valued similarly but after interim payments.

e) Cash Flow Statement

The Company has taken advantage of the exemption in Financial Reporting Standard No. 1 from producing a cash flow statement on the grounds that it is a small company.

2. OPERATING PROFITPREVIOUS YEAR

a) This is stated after charging :-

Directors Remuneration	£ 21,500	£ 16,680
Depreciation	£ 2,024	£ 2,830
Amortisation	£ 500	£ 500
	<u> </u>	<u> </u>

b) Directors Remuneration :-

Fees	-	-
Other Emoluments	21,500	16,680
	<u> </u>	<u> </u>
	£ 21,500	£ 16,680
	<u> </u>	<u> </u>

The Company is exempt from disclosing further information in respect of Directors' Remuneration.

3. STAFF COSTS

Wages and Salaries	£ 38,634	£ 23,360
	<u> </u>	<u> </u>
The average weekly number of employees was	5	3
	<u> </u>	<u> </u>

DEXLEC REWINDS LIMITEDNOTES TO THE FINANCIAL STATEMENTS AS AT 31 MAY, 1994 (CONTINUED)

		<u>PREVIOUS YEAR</u>
8. <u>STOCK AND WORK IN PROGRESS</u>		
Stock	183	-
Work In Progress	14,266	4,833
	<u>£ 14,449</u>	<u>£ 4,833</u>
Valuation is in accordance with note 1(d) above.		
9. <u>DEBTORS</u>		
Trade Debtors	<u>£ 62,037</u>	<u>£ 63,577</u>
10. <u>CREDITORS : AMOUNTS FALLING DUE WITH ONE YEAR</u>		
Trade Creditors	15,032	14,919
Bank Overdraft	11,698	2,663
Other Creditors	38,247	47,222
Taxation and Social Security Costs	8,940	7,081
Corporation Tax	2,911	1,511
Advance Corporation Tax	-	6,060
	<u>£ 76,828</u>	<u>£ 79,456</u>
11. <u>SHARE CAPITAL</u>		
Ordinary Shares of £ 1 Each :		
Authorised	£ 100	£ 100
Issued, Called Up and Fully Paid	£ 100	£ 100
12. <u>CAPITAL COMMITMENTS</u>		
Contracted	£ Nil	£ Nil
13. <u>TRANSACTIONS WITH DIRECTORS</u>		

The loans from Directors are interest free and repayable on demand.