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GARNDENE COMMUNICATION SYSTEMS LTD.

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

30th SEPTEMBER 1980

REGISTERED OFFICE:

HI-PYLON WORKS,
SLADES ROAD,
BOLSTER MOOR,
GOICAR,
HUDDERSFIELD



GARNDENE COMMUNICATION SYSTEMS LTD.

DIRECTORS' REPORT

The Directors submit their report and Audited Accounts of the Company for the year ended 30th September 1980.

1. The Directors at the beginning and end of the year and their Shareholdings (including Associates) were:

	<u>End of Year</u>	<u>Beginning of Year/ Date of Appointment</u>
M.H.Stead	50	50
B.A.Stead	-	-

2. The principal activities of the Company during the year have been those of providing Telecommunication Services and there have been no significant changes in the activities of the Company during the financial year.
3. State of affairs at the date of the Balance Sheet was satisfactory.
4. The Directors propose that no Dividend be paid for the year to 30th September 1980.
5. Fixed Assets. Details are shown on the Balance Sheet and the Schedule attached.
6. Political and Charitable Contributions. No such contributions were made during the year.
7. Exports. No goods were exported during the year.

For and on behalf of the Board

M.H. Stead.

CHAIRMAN

GARNDENE COMMUNICATION SYSTEMS LTD.

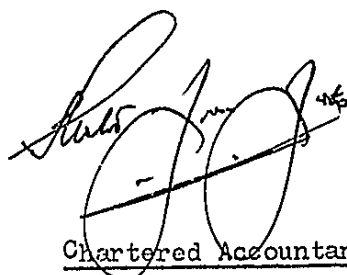
AUDITORS' REPORT

We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our Audit. In our opinion, proper books of Account have been kept by the Company so far as appears from our examination of those books.

We have examined the attached Balance Sheet and Trading and Profit & loss Accounts together with the Notes thereon, which have been prepared under the Historical Cost Convention and are in agreement with the Books of Account.

In our opinion, the annexed Accounts give under the Accounting Convention stated above a true and fair view of the state of the Company's affairs as at the 30th September 1980 and of its Profit for the year ended on that date and comply with the Companies Acts 1948 to 1980.

8th June 1982
32a Church Lane,
PUDSEY, W. Yorks.


Chartered Accountants

GARNDENE COMMUNICATION SYSTEMS LTD.

BALANCE SHEET AT 30th SEPTEMBER 1980

	1980	1979
CAPITAL EMPLOYED		
Share Capital (Nominal 100)	100	100
Profit and Loss Account	26811	5656
Loan - M.H.Stead	14286	14286
Loan - P.T.McNicholas	14286	14286
	<u>55483</u>	<u>34328</u>
Represented by:-		
FIXED ASSETS - per Schedule	35773	39327
CURRENT ASSETS		
Stock	12277	11565
Work in Progress	1135	3055
Trade Debtors	54885	55886
Sundry Debtors	6783	5106
Bank Current Account	18567	2827
Cash and Cheques in Hand	1280	772
	<u>94927</u>	<u>79211</u>
CURRENT LIABILITIES		
Trade Creditors	41942	53780
Sundry Creditors	11323	11297
Hire Purchase Creditors	4988	11567
Directors Current Account	5787	6389
Unpaid Directors Salaries	10000	-
Corporation Tax Due	1177	1177
	<u>75217</u>	<u>84210</u>
NET CURRENT ASSETS/(LIABILITIES)	19710	(4999)
	<u>55483</u>	<u>34328</u>

.....*M.H. Stead*.....Director

.....*B. A. Stead*.....Director

GARNDENE COMMUNICATION SYSTEMS LTD.

SCHEDULE OF FIXED ASSETS AT 30th SEPTEMBER 1980

	COST AT START	ADDITIONS AT COST	DISPOSALS AT COST	DEPRECIATION TO DATE	TOTAL
MOTOR VEHICLES	29129	5895	(8250)	(10774)	16000
OFFICE EQUIPMENT	600	-	-	(120)	480
FIXTURES AND FITTINGS	1513	2672	-	(565)	3620
PLANT AND EQUIPMENT	100	-	-	(20)	80
FREEHOLD PROPERTY	15943	-	-	(511)	15432
	47285	8567	(8250)	(11990)	35612

FORMATION EXPENSES

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<u>35773</u>

GARDENE COMMUNICATION SYSTEMS LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 30th SEPTEMBER 1980

	1980	1979
NET TRADING PROFIT	21195	6833
after Charging:		
Directors' Remuneration	28926	24147
Bank Charges	23	95
Bank Interest	869	1376
Hire Purchase Interest	1571	1231
Audit and Accountancy	750	650
Depreciation	7226	8499
	<u> </u>	<u> </u>
NET PROFIT BEFORE TAX	<u>21195</u>	<u>6833</u>
Corporation Tax	40	1177
NET PROFIT AFTER TAX	<u>21155</u>	<u>5656</u>
Balance brought forward	5656	-
Balance Carried Forward	<u>26811</u>	<u>5656</u>

GARNDENE COMMUNICATION SYSTEMS LTD.

SOURCE AND APPLICATION OF FUNDS YEAR ENDED 30th SEPTEMBER 1980

TRADING SOURCE OF FUNDS

Net Profit per Trading Account		21195
Adjustment for Items not Involving the Movement of Funds:		
Depreciation		7226
		<hr/>
		28421

OTHER SOURCES OF FUNDS

Decrease in Stocks	1208	
Sales of Fixed Assets	4895	
	<hr/>	6103
		<hr/>
		34524

Less:

APPLICATIONS OF FUNDS

Increase in Debtors	676	
Decrease in Creditors	1812	
Decrease in Hire Purchase Finance	6579	
Decrease in Loans from Directors	602	
Purchase of Fixed Assets	8567	
Corporation Tax Paid	40	
	<hr/>	18276
		<hr/>
INCREASE IN NET LIQUID FUNDS		16248
		<hr/>

GAEHDENE COMMUNICATION SYSTEMS LTD.

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 30th SEPTEMBER 1980

1. ACCOUNTING POLICIES

(a) Depreciation

Depreciation is calculated in order to write off the assets on a reducing balance basis over their useful life.

(b) Stock on Hand

Stocks are valued at the lower of cost or realisable value.

(c) Work in Progress

Valuation was made on the basis of the cost of materials and labour plus a proportion of the Overheads and Profit according to the progress made on each job.

(d) Debtors

Known bad debts are written off and specific provision made for any considered doubtful.

(e) Deferred Taxation

No provision has been made for Deferred Taxation in view of the Directors' opinion that timing differences will continue to occur.

2. TAXATION

	<u>1980</u>	<u>1979</u>
Corporation Tax in respect of Current Profits	-	1177
Adjustment for Prior Year	40	-
	<u>40</u>	<u>1177</u>

3. DIRECTORS LOANS

Directors' Loans are unconditional, interest free and repayable on demand