
Kernick Scientific Limited

Report and Financial Statements

◆ *Year ended 31 December 1998* ◆



Company No: 37006

KERNICK SCIENTIFIC LIMITED

CONTENTS

	Page
Company information	1
Report of the directors	2-3
Report of the auditors	4
Balance sheet	5
Notes to the financial statements	6

KERNICK SCIENTIFIC LIMITED

COMPANY INFORMATION

Directors	D C Macey W G Eaden J A Forgham
Secretary	R C Piggott
Registered office	Lynn Lane Shenstone Lichfield Staffordshire WS13 0EE
Registered number	37006
Auditors	Robson Rhodes Chartered Accountants Centre City Tower 7 Hill Street Birmingham B5 4UU

KERNICK SCIENTIFIC LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the audited financial statements for the year ended 31 December 1998.

Principal activities

The company has not traded during the period.

Directors

The present directors of the company are set out on page 1.

The ultimate holding company is Novara plc. Those directors serving at the end of the year had interests in the share capital of the holding company as follows:

	Ordinary shares		Options under Share Scheme	
	1998	1997	1998	1997
W G Eaden	35,098	32,115	52,404	35,144
J A Forgham	32,227	31,221	52,404	27,404

The interests of Mr D C Macey, who is also a director of the ultimate holding company, are disclosed in the directors' report of Novara plc.

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 affairs of the company and of the profit or 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.

KERNICK SCIENTIFIC LIMITED

REPORT OF THE DIRECTORS
(Continued)

Auditors

The auditors, Robson Rhodes are willing to continue in office, and a resolution to reappoint them will be proposed at the Annual General Meeting.

The report of the directors was approved by the Board on 1 April 1999 and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'R C Piggott', with a stylized flourish at the end.

RICHARD C PIGGOTT
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF KERNICK SCIENTIFIC LIMITED

We have audited the financial statements on pages 5 and 6 which have been prepared on the basis of the accounting policy set out on page 6.

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.

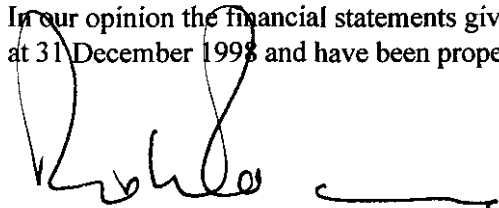
Basis of opinion

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 December 1998 and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

Birmingham
1 April 1999

KERNICK SCIENTIFIC LIMITED

BALANCE SHEET
at 31 December 1998

	Note	1998 £	1997 £
Current assets			
Debtors: amounts owed by parent undertaking		57,000	57,000
		<hr/>	<hr/>
Total assets less current liabilities		57,000	57,000
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	2	37,000	37,000
Capital redemption reserve		20,000	20,000
		<hr/>	<hr/>
Equity shareholders' funds		57,000	57,000
		<hr/>	<hr/>

The financial statements were approved by the Board on 1 April 1999 and signed on its behalf by:



DAVID C MACEY
Director

NOTES TO THE FINANCIAL STATEMENTS**31 December 1998****1. ACCOUNTING POLICY****Basis of accounting**

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention.

2. SHARE CAPITAL

	1998	1997
	£	£
Authorised		
8,000 ordinary shares of £5 each	40,000	40,000
4,000 redeemable preference shares of £5 each	20,000	20,000
	<hr/>	<hr/>
	60,000	60,000
	<hr/>	<hr/>
Allotted and fully paid		
7,400 ordinary shares of £5 each	37,000	37,000
	<hr/>	<hr/>

3. PARENT UNDERTAKING

The ultimate parent company is Novara plc, which is registered in England and Wales.

Its group accounts are available to the public on payment of the appropriate fee, from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.