

COMPANIES HOUSE

RADAMEC EPO LIMITED

REPORT AND FINANCIAL STATEMENTS

◆ 31 December 1994 ◆



Registered Number : 585200

RADAMEC EPO LIMITED

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RADAMEC EPO LIMITED

COMPANY INFORMATION

Directors

L B Whittaker (Chairman)
M J Wolfe (Managing Director)
A W Whittaker
A J Straker
L P Moore
H A Thompson

Secretary

L P Moore

Registered Office

21 Holborn Viaduct
London EC1A 2DY

Auditors

Robson Rhodes
Chartered Accountants
186 City Road
London EC1V 2NU

Bankers

Standard Chartered Bank PLC
37 Gracechurch Street
London EC3V 0BX

Solicitors

Lovell White & Durrant
65 Holborn Viaduct
London EC1A 2DY

RADAMEC EPO LIMITED

REPORT OF THE DIRECTORS

The Directors present their report and the audited financial statements of the Company for the year ended 31 December 1994.

Principal activities

The principal activities of the Company are that of the design and manufacture of micro-processor based remote control systems for television studios, parliaments, and surveillance systems.

Review of the business

The Company substantially increased profits and sales in the year with a strong performance in overseas markets particularly from the Far East and Australia. TV studio equipment was sold into the Japanese market and included sales to NHK, Japan's premier and most prestigious TV broadcast network and to the Tokyo Broadcasting System. The Australian Broadcast Corporation placed a major contract for the supply of Robotic Camera systems to their National network with installations continuing into 1995. Other important sales were made to 15 overseas countries covering the world market for advanced TV studio and parliamentary broadcast television equipment.

The Company's success is firmly based on its dedication to developing innovative and sophisticated equipment that is technologically ahead of the market. 'Virtual Reality' is now a prominent new technology and the Company has developed and delivered equipment for this new broadcast concept.

Results and dividends

The profit for the year is shown on page 5.

Fixed assets

The movements in fixed assets during the year are set out in notes 10 and 11 of the financial statements.

Directors

The current Directors of the Company are shown on page 1 and served throughout the year.

The interests of Mr L B Whittaker, Mr A W Whittaker, Mr A J Straker, Mr L P Moore and Mr M J Wolfe in the share of the ultimate parent company, Radamec Group PLC are disclosed in that company's financial statements.

No other Director held any other interest in the shares of the Company or any group company during the year.

No Director had any material interest in any contract or arrangement with the Company during the year.

RADAMEC EPO LIMITED

REPORT OF THE DIRECTORS (continued)

Directors' responsibilities for financial statements

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 judgments 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 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 for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Robson Rhodes have expressed their willingness to continue in office as Auditors and a resolution for their re-appointment will be proposed at the forthcoming Annual General Meeting.

Approval

The report of the Directors was approved by the Board on 5 April 1995 and signed on its behalf by:



Lionel Philip Moore
Secretary

RADAMEC EPO LIMITED

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF RADAMEC EPO LIMITED

We have audited the financial statements on pages 5 to 15 which have been prepared on the basis of the accounting policies set out on pages 7 and 8.

Respective responsibilities of Directors and Auditors

As described on page 3 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 judgments 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 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 1994 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Robson Rhodes
Chartered Accountants and Registered Auditor

London

5 April

1995

RADAMEC EPO LIMITED**PROFIT AND LOSS ACCOUNT**
for the year ended 31 December 1994

	Note	1994 £	1993 £
Turnover: continuing operations	2	3,514,007	2,435,212
Cost of sales		(1,915,357)	(1,230,518)
		<hr/>	<hr/>
Gross profit		1,598,650	1,204,694
Administrative expenses		(1,231,222)	(1,017,942)
		<hr/>	<hr/>
Operating profit: continuing operations	3	367,428	186,752
Provision against amounts owed by fellow subsidiaries undertakings		(7,870)	(56,162)
Interest receivable	4	25,836	20,044
Interest payable	5	(52,636)	(45,203)
		<hr/>	<hr/>
Profit on ordinary activities before taxation		332,758	105,431
Tax on profit on ordinary activities	9	(123,300)	(57,500)
		<hr/>	<hr/>
Profit for the financial year		209,458	47,931
Dividends proposed	6	(100,000)	-
		<hr/>	<hr/>
Retained profit for the financial year	17	109,458	47,931
		<hr/>	<hr/>

The Company has no recognised gains or losses for the two years ended 31 December 1994 other than the profits disclosed above.

RADAMEC EPO LIMITED**BALANCE SHEET**
at 31 December 1994

	Note	1994 £	1993 £
Fixed assets			
Intangible assets	10	96,601	110,982
Tangible assets	11	104,823	91,646
		<hr/>	<hr/>
		201,424	202,628
		<hr/>	<hr/>
Current assets			
Stocks and work in progress	13	985,359	1,003,067
Debtors	14	2,743,579	3,108,747
Cash at bank and in hand		154,684	4,887
		<hr/>	<hr/>
		3,883,622	4,116,701
		<hr/>	<hr/>
Creditors: Amounts falling due within one year	15	(1,115,964)	(1,459,705)
		<hr/>	<hr/>
Net current assets		2,767,658	2,656,996
		<hr/>	<hr/>
Total assets less current liabilities		2,969,082	2,859,624
		<hr/>	<hr/>
Capital and reserves			
Equity called up share capital	16	1,042,655	1,042,655
Share premium account		1,553,160	1,553,160
Profit and loss account	17	373,267	263,809
		<hr/>	<hr/>
Shareholders' funds	18	2,969,082	2,859,624
		<hr/>	<hr/>

The financial statements were approved by the Board on
its behalf by:



Michael John Wolfe
Director

5 April

1995 and signed on

NOTES TO THE FINANCIAL STATEMENTS
31 December 1994

1. ACCOUNTING POLICIES

Convention

The financial statements are prepared in accordance with applicable accounting standards under the historical cost convention. The principal accounting policies which the Directors have adopted within that convention are set out below.

Turnover

Turnover represents the invoiced value of goods supplied by the Company exclusive of value added tax.

In respect of long term contracts turnover is recognised as contracts progress and comprises the sales value of work performed in the period.

Depreciation

Depreciation is provided in equal amounts each year in order to write off the cost of fixed assets over their anticipated useful lives.

Estimated useful lives are:

Plant, equipment and fixtures	-	5 to 10 years
Improvements to leasehold	-	15 years
Motor vehicles	-	4 years

Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost comprises direct materials and labour together with attributable overheads. Net realisable value is based on estimated selling price after taking into account all further costs expected to be incurred on completion and disposal.

Long term contracts

Long term contracts are those extending in excess of 12 months and any of shorter duration which are material to the activity of the period.

Once the outcome of a long term contract can be assessed with reasonable certainty attributable profit is recognised on the cost percentage complete method. Immediate provision is made for all the foreseeable loss of the contract once it is assessed as unprofitable.

Taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for accounting and taxation purposes. However no provision is made for taxation deferred by reliefs where there is reasonable evidence that no liability will arise in the foreseeable future. In assessing the likelihood of continuing deferment the Directors have regard for past investment levels and the extent to which tax allowances will be available on expected future capital expenditure.

NOTES TO THE FINANCIAL STATEMENTS**31 December 1994****1. ACCOUNTING POLICIES (Continued)****Foreign currencies**

Transactions in foreign currencies are recorded at the rate of exchange ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date.

Company funded research and development

Expenditure on pure research is written off in the period in which it is incurred. Development costs are carried forward to the extent that they relate directly to an identifiable, saleable product, and to the extent that the costs can be attributed to specific, foreseeable sales to third parties. The development costs are written off against sales of the related products over a period not exceeding five years. The Directors consider that the above results in a proper matching of development costs to the revenue they generate. Accordingly the book value of development costs is not considered to be a realised loss.

Government grants

Grants received are credited to the cost of the related asset, and written off over the life of the asset.

Cashflow

The Company is not required under Financial Reporting Standard 1 to prepare a cashflow statement as cashflow of the Company is dealt with in a consolidated cashflow statement reported in the financial statements of the ultimate parent company.

2. TURNOVER

Turnover analysed by geographical market:

	1994	1993
	£	£
United Kingdom	499,150	813,483
Europe	1,009,808	806,445
North America	430,699	606,854
Asia	962,773	200,990
Rest of World	611,577	7,440
	<hr/>	<hr/>
	3,514,007	2,435,212
	<hr/>	<hr/>

RADAMEC EPO LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31 December 1994**3. OPERATING PROFIT**

	1994	1993
	£	£
Operating profit is arrived at after charging:		
Research and development:		
Amortisation	125,145	87,680
Current year expenditure	32,573	39,922
	<hr/>	<hr/>
	157,718	127,602
Hire of equipment	14,832	19,276
Depreciation	25,907	31,895
Auditors' remuneration	8,750	8,500
- audit services		
- non audit services	750	750
	<hr/>	<hr/>

4. INTEREST RECEIVABLE

	1994	1993
	£	£
Bank interest receivable	25,836	20,044
	<hr/>	<hr/>

5. INTEREST PAYABLE

	1994	1993
	£	£
Hire purchase interest	1,042	703
Interest charge: Radamec Group PLC	44,919	42,168
Other	6,675	2,332
	<hr/>	<hr/>
	52,636	45,203
	<hr/>	<hr/>

6. DIVIDENDS

	1994	1993
	£	£
Proposed ordinary dividend of 0.96p per share (1993: £nil)	100,000	-
	<hr/>	<hr/>

RADAMEC EPO LIMITED

NOTES TO THE FINANCIAL STATEMENTS

31 December 1994

7. EMPLOYEES

All staff are employed by the parent company, Radamec Group PLC and details of numbers of people are disclosed in that company's financial statements. Salary, national insurance and pension costs are charged to the relevant subsidiary undertakings as appropriate and these details are given below.

	1994	1993
	£	£
Costs in respect of these employees:		
Salaries	827,175	670,988
Social security costs	84,441	77,556
Pension costs	17,857	16,985
	<u>929,473</u>	<u>765,529</u>

8. DIRECTORS' EMOLUMENTS

	1994	1993
	£	£
Management remuneration	102,064	89,297
Emoluments excluding pension contributions:		
Chairman	-	-
Highest paid director	58,713	49,215

Number of other directors whose emoluments fell within the bands stated:

	No. of directors	
	1994	1993
£ NIL - £ 5,000	3	3
£35,001 - £40,000	-	1
£40,001 - £45,000	1	-

RADAMEC EPO LIMITED**NOTES TO THE FINANCIAL STATEMENTS**
31 December 1994**9. TAX ON PROFIT ON ORDINARY ACTIVITIES**

	1994 £	1993 £
Charge for taxation based on the profit for the year:		
Current year:		
UK Corporation tax at 33 %	30,000	-
Group relief	94,700	57,500
	<hr/>	<hr/>
	124,700	57,500
Adjustment relating to prior years:		
Group relief	(1,400)	-
	<hr/>	<hr/>
	123,300	57,500
	<hr/> <hr/>	<hr/> <hr/>

10. INTANGIBLE ASSETS

	1994 £
Development cost	
At 1 January 1994	387,442
Additions	110,764
	<hr/>
At 31 December 1994	498,206
	<hr/>
Amortised	
At 1 January 1994	276,460
Charged in year	125,145
	<hr/>
At 31 December 1994	401,605
	<hr/>
Net book value	
At 31 December 1994	96,601
	<hr/> <hr/>
At 31 December 1993	110,982
	<hr/> <hr/>

RADAMEC EPO LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 1994****11. TANGIBLE ASSETS**

	Improvements to leasehold £	Plant, equipment and fixtures £	Motor vehicles £	Total £
Cost				
At 1 January 1994	80,967	139,642	18,681	239,290
Additions	-	21,412	17,676	39,088
Disposals	-	(4,400)	(18,681)	(23,081)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	80,967	156,654	17,676	255,297
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 January 1994	46,465	82,990	18,189	147,644
Charge for the year	3,238	20,706	1,963	25,907
Disposals	-	(4,397)	(18,680)	(23,077)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1994	49,703	99,299	1,472	150,474
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value				
At 31 December 1994	31,264	57,355	16,204	104,823
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 1993	34,502	56,652	492	91,646
	<hr/>	<hr/>	<hr/>	<hr/>

12. INVESTMENT IN SUBSIDIARY UNDERTAKING

Power-Optic Inc, incorporated in the United States of America.

Issued share capital: 100 shares of US\$100 each.

Wholly owned by the company

	1994 £	1993 £
Shares at cost	4,902	4,902
Less: Provisions	(4,902)	(4,902)
	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>

Group financial statements have not been prepared as Radamec EPO Limited is a wholly owned subsidiary undertaking of another UK company.

RADAMEC EPO LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 1994****13. STOCKS AND WORK IN PROGRESS**

	1994	1993
	£	£
Short term contract work in progress	435,623	454,474
Stocks: Components and parts	549,736	548,593
	<hr/>	<hr/>
	985,359	1,003,067
	<hr/>	<hr/>

14. DEBTORS

	1994	1993
	£	£
Trade debtors	175,710	579,375
Amounts recoverable on contracts	227,426	388,748
Amounts owed by ultimate parent undertaking	123,506	-
Amounts owed by fellow subsidiary undertakings	2,149,658	1,984,968
Other debtors	67,279	143,802
Prepayments and accrued income	-	11,854
	<hr/>	<hr/>
	2,743,579	3,108,747
	<hr/>	<hr/>

15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1994	1993
	£	£
Bank overdraft	-	25,567
Trade creditors	276,466	378,046
Amounts owed to ultimate parent undertaking	-	761,597
Amounts owed to fellow subsidiary undertakings	96,443	93,502
Corporation tax	30,000	-
Accruals and deferred income	152,603	82,798
Payments in excess of work in progress	460,452	118,195
Proposed dividend	100,000	-
	<hr/>	<hr/>
	1,115,964	1,459,705
	<hr/>	<hr/>

RADAMEC EPO LIMITED**NOTES TO THE FINANCIAL STATEMENTS****31 December 1994****16. EQUITY CALLED UP SHARE CAPITAL**

	1994	1993
	£	£
Authorised:		
1,050,000 ordinary shares of £1 each	1,050,000	1,050,000
	<u> </u>	<u> </u>
Allotted and fully paid:		
1,042,655 ordinary shares of £1 each	1,042,655	1,042,655
	<u> </u>	<u> </u>

17. PROFIT AND LOSS ACCOUNT

	£
At 1 January 1994	263,809
Retained profit for the year	109,458
	<u> </u>
At 31 December 1994	373,267
	<u> </u>

18. RECONCILIATION OF MOVEMENTS ON SHAREHOLDERS' FUNDS

	1994	1993
	£	£
Retained profit for the financial year	109,458	47,931
	<u> </u>	<u> </u>
Increase in shareholders' funds	109,458	47,931
Opening shareholders' funds	2,859,624	2,811,693
	<u> </u>	<u> </u>
Closing shareholders' funds	2,969,082	2,859,624
	<u> </u>	<u> </u>

NOTES TO THE FINANCIAL STATEMENTS

31 December 1994

19. COMMITMENTS

The Company has no capital commitments authorised or contracted, which have not been provided for in the financial statements.

20. PENSION SCHEME

The Company's employees contributed to the parent company's group pension scheme being a money purchase scheme. The particulars of the scheme are disclosed in Radamec Group PLC's financial statements.

21. CONTINGENT LIABILITIES

The Company has entered into a composite unlimited cross guarantee with other group companies and a mortgage debenture in favour of Standard Chartered Bank PLC as security for monies owed to the bank within the group facility for loan, overdraft performance and advance payment guarantees within the group facility.

At 31 December 1994 the Company had in the ordinary course of business, entered into advance payment guarantees of £130,329 (1993 - £71,480) relating to current contracts.

22. ULTIMATE PARENT COMPANY

The ultimate parent company is Radamec Group PLC, a company registered in Great Britain. Its group accounts are available to the public on payment of the appropriate fees, from the Companies Registration Office, Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.