

Confidential

Registration Number 895566

**Arnel Limited**  
**Abbreviated Accounts**  
**for the year ended 31 July 2001**



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## **Arnel Limited**

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**Auditors' Report to Arnel Limited  
under Section 247B of the Companies Act 1985**


We have examined the abbreviated accounts set out on pages 2 to 6 together with the financial statements of Arnel Limited for the year ended 31 July 2001 prepared under Section 226 of the Companies Act 1985.

**Respective responsibilities of directors and auditors**

The directors are responsible for preparing abbreviated accounts in accordance with Section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with Sections 246(5) and (6) of the Act to the registrar of companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

**Basis of opinion**

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.



23/4/02

**Morgan Rose**  
**Chartered Accountants and**  
**Registered Auditor**

**The Old Cock Inn**  
**High Street**  
**Redbourn**  
**Hertfordshire**  
**AL3 7LW**

**Arnel Limited**

**Abbreviated Balance Sheet  
as at 31 July 2001**

	Notes	2001		2000	
		£	£	£	£
<b>Fixed Assets</b>					
Intangible assets	2	-	-	10,001	
Tangible assets	2	283,364		317,753	
Investments	2	272,504		10,004	
		<u>555,868</u>		<u>337,758</u>	
<b>Current Assets</b>					
Stocks		70,876		100,806	
Debtors		228,282		235,913	
Cash at bank and in hand		127,641		106,690	
		<u>426,799</u>		<u>443,409</u>	
<b>Creditors: amounts falling due within one year</b>		<u>(324,984)</u>		<u>(358,065)</u>	
<b>Net Current Assets</b>			<u>101,815</u>		<u>85,344</u>
<b>Total Assets Less Current Liabilities</b>			657,683		423,102
<b>Creditors: amounts falling due after more than one year</b>			<u>(336,746)</u>		<u>(110,132)</u>
<b>Net Assets</b>			<u><u>320,937</u></u>		<u><u>312,970</u></u>
<b>Capital and Reserves</b>					
Called up share capital	3		10,000		100
Share premium account			954		954
Profit and loss account			309,983		311,916
<b>Shareholders' Funds</b>			<u><u>320,937</u></u>		<u><u>312,970</u></u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies .

The abbreviated accounts were approved by the Board on and signed on its behalf by

**Richard Ronald Cook**  
Director



The notes on pages 3 to 6 form an integral part of these financial statements.

## **Arnel Limited**

### **Notes to the Abbreviated Financial Statements for the year ended 31 July 2001**

#### **1. Accounting Policies**

##### **1.1. Accounting convention**

The accounts are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

##### **1.2. Turnover**

Turnover represents the total invoice value, excluding value added tax, of sales made during the year.

##### **1.3. Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred. Development expenditure is written off in the same year unless the directors are satisfied as to the technical, commercial and financial viability of individual projects. In this situation, the expenditure is deferred and amortised over the period from which the company is expected to benefit.

##### **1.4. Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Land and buildings	-	2% Reducing Balance
Plant and machinery	-	25% Reducing Balance
Fixtures, fittings and equipment	-	15% Reducing Balance
Motor vehicles	-	25% Reducing Balance

##### **1.5. Investments**

Fixed asset investments are stated at cost less provision for diminution in value.

##### **1.6. Stock and work in progress**

Stock is valued at the lower of cost and net realisable value.

Stock and work in progress are valued at the lower of cost and net realisable value.

##### **1.7. Pensions**

The pension costs charged in the financial statements represent the contribution payable by the company during the year.

The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings.

##### **1.8. Deferred taxation**

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

**Arnel Limited**

**Notes to the Abbreviated Financial Statements  
for the year ended 31 July 2001**

..... continued

**1.9. Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Profit and Loss account.

**2. Fixed assets**

	Intangible assets £	Tangible fixed assets £	Investments £	Total £
<b>Cost</b>				
At 1 August 2000	20,001	530,654	10,004	560,659
Additions	-	13,366	262,500	275,866
Disposals	-	(35,070)	-	(35,070)
At 31 July 2001	<u>20,001</u>	<u>508,950</u>	<u>272,504</u>	<u>801,455</u>
<b>Depreciation and Provision for diminution in value</b>				
At 1 August 2000	10,000	212,905	-	222,905
On disposals	-	(26,043)	-	(26,043)
Charge for year	10,001	38,724	-	48,725
At 31 July 2001	<u>20,001</u>	<u>225,586</u>	<u>-</u>	<u>245,587</u>
<b>Net book values</b>				
At 31 July 2001	-	283,364	272,504	555,868
At 31 July 2000	<u>10,001</u>	<u>317,749</u>	<u>10,004</u>	<u>337,754</u>

FAILED VALIDATION

**2.1. Investment details**

**2001      2000**  
**£           £**

# Arnel Limited

## Notes to the Abbreviated Financial Statements for the year ended 31 July 2001

..... continued

### Holdings of 20% or more

The company holds 20% or more of the share capital of the following companies:

Company	Country of registration or incorporation	Nature of business	Shares held Class	
<b>Subsidiary undertaking</b>				
CMO Limited	GB		Ordinary	100%
Computer Mail Order Ltd	GB		Ordinary	100%
Arnel Digital Security Products Limited	GB		Ordinary	100%
Tipro Keyboards (UK) Limited	GB		Ordinary	100%
Arnel Digital Security Products Limited	5,172		5,072	
Tipro Keyboards (UK) Limited	9,038		3,292	

### 3. Share capital

	2001 £	2000 £
<b>Authorised equity</b>		
100,000 Ordinary shares of 10 pence each	<u>10,000</u>	<u>100</u>
<b>Allotted, called up and fully paid equity</b>		
100,000 Ordinary shares of 10 pence each	<u>10,000</u>	<u>100</u>

On the 30th January 2001 a further 9900 ordinary shares of £1.00 each were issued by way of bonus. The ordinary shares were then subdivided by dividing each 1.00 ordinary shares into 10 ordinary shares of 10p each.

### 4. Transactions with directors

R.Cook and G. willingale are also directors of Tipro Keyboards D.O.O. Arnel Limited provided services to Tipro Keyboards D.O.O. during the year ended 31st July 2001, at open market value amounting to £19,693. At the balance sheet date the amount due from Tipro Keyboards D.O.O. was £11,113.

**Arnel Limited**

**Notes to the Abbreviated Financial Statements  
for the year ended 31 July 2001**

..... continued

**5. Related party transactions**

During year ended 31st July 2001, the following amounts were receivable from Tipro Keyboards (UK) Limited. Management charges of £40,000, wages and expenses of £54,071. The following amounts were receivable from Arnel Digital Security Products Limited, management charges of £38,996, wages & expenses of £17,878 and purchases of £7,431. These amounts were all included in the profit & loss account.

Debtors include a loan balance due from Tipro Keyboards (UK) Limited of £99,875 at the balance sheet date, and a loan balance due from Arnel Digital Security Products Limited of £67,826 at the balance sheet date.