

Registered no. 1616754

**CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY
LIMITED**

(LIMITED BY GUARANTEE)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2003



CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

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CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2003

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS:	Cllr R Cook Cllr W J Coward Cllr C Abbott Mr D Fixter Mr G M Hayter Cllr P E Porley Cllr V Moody Cllr M Boddy Cllr P Thompson Cllr N Teesdale
SECRETARY:	Mr R G Long
REGISTERED OFFICE:	Legal Services Unit PO Box 99A Town Hall Middlesbrough TS12 2QQ
REGISTERED NUMBER:	1616754
ACCOUNTANTS:	Vantis Walkers New Exchange Buildings Queens Square Middlesbrough TS2 1AA
AUDITORS:	Audit Assure New Exchange Buildings Queens Square Middlesbrough TS2 1AA
BANKERS:	Natwest Bank 106 Linthorpe Road Middlesbrough TS1 2JX

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

The directors present their report and the financial statements of the company for the year ended 31 March 2003.

Principal Activity

The company offers training and technology support services in the areas of Computer Aided Engineering (CAE), Computer Aided Draughting (CAD), Information Technology (IT) and Networking.

During the period, the company continued in its role of improving the competitiveness of small to medium businesses in Tees Valley and the Northern Region, in the provision of technology assistance through regional projects supported by the European Regional Development Fund (ERDF). During the year the company continued to be successful in securing national funding from the PHOENIX fund to carry out support activities in areas of multiple deprivation within Tees Valley.

The company also continued its activities in the GENERIC programme, funded regionally through the Single Regeneration Budget. The GENERIC programme aims to generate and embed an innovation culture in the North East by improving the receptivity of its institutions, industry and individuals to innovation and technology based changes.

Directors

The directors who held office during the year are listed below:

Cllr R Cook
Cllr W J Coward
Cllr G R Dunning (Resigned 3/06/03)
Mr D Fixter
Mr G M Hayter
Cllr J Jones (Resigned 29/05/02)
Cllr P E Porley
Cllr K Pudney
Cllr M Boddy
Cllr P Thompson (Appointed 29/05/02)
Cllr S Corr (Resigned 3/06/03)
Cllr M Ingram (Resigned 3/06/03)

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 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;
- prepare the financial statements on a 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 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.

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

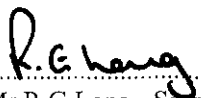
DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2003

Auditors

The auditors, Audit Assure, have indicated their willingness to accept re-appointment under Section 385(2) of the Companies Act 1985.

The directors' report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board


.....
Mr R G Long - Secretary

Date: 11 November 2003

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

We have audited the financial statements of Cadcam Applications Training and Support Company Limited for the year ended 31 March 2003 which comprise the Profit and Loss Account, the Balance Sheet and the related notes 1 to 12. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described in the directors' report, the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, The directors' report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the directors' report and consider the implications for our report if we become aware of any apparent misstatement within it.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 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.

Fundamental uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in the financial statements concerning the ability of the company to continue its operations which comprise the requirement to obtain adequate funding to finance expenditure on training and technology support.

Project funding is of a short term nature, typically two years, and as a result of the nature of the company's business, the long term financial position is uncertain, and depends upon the company continuing to be successful in obtaining funding.

The financial statements have been prepared on a going concern basis, the validity of which depends upon future funding being secured to enable projects to be undertaken. Details of the circumstances relating to this fundamental uncertainty are described in note 1. Our opinion is not qualified in this respect.

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED (CONT)

Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs as at 31 March 2003 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Audit Assure

.....
Audit Assure

Chartered Accountants and Registered Auditors
New Exchange Buildings
Queens Square
Middlesbrough
TS2 1AA

Date: *17 November 2003*

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH 2003

	Notes	2003 £	2002 £
TURNOVER	2	506,471	339,778
Project costs		(383,803)	(382,083)
SURPLUS/(DEFICIT) BEFORE CHARGING NET OPERATING EXPENSES		122,668	(42,305)
Net operating expenses	3	(126,098)	(146,095)
DEFICIT ON ORDINARY ACTIVITIES BEFORE INTEREST	4	(3,430)	(188,400)
Interest payable and similar charges		(304)	(451)
DEFICIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(3,734)	(188,851)
Tax on deficit on ordinary activities	5	-	-
RETAINED DEFICIT FOR THE FINANCIAL YEAR		(3,734)	(188,851)
Retained (deficit)/surplus brought forward		(97,471)	91,380
RETAINED DEFICIT CARRIED FORWARD		(101,205)	(97,471)

The annexed notes form part of these financial statements.

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

BALANCE SHEET AT 31 MARCH 2003

	Note	2003 £	2002 £
FIXED ASSETS			
Tangible assets	6	-	1,429
CURRENT ASSETS			
Debtors	7	343,258	242,286
Cash at bank and in hand		101,041	483
		<u>444,299</u>	<u>242,769</u>
CREDITORS			
Amounts falling due within one year	8	<u>(464,329)</u>	<u>(319,983)</u>
NET CURRENT LIABILITIES		<u>(20,030)</u>	<u>(77,214)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>(20,030)</u>	<u>(75,785)</u>
CREDITORS			
Amounts falling due after more than one year	9	<u>(81,175)</u>	<u>(21,686)</u>
NET LIABILITIES		<u>(101,205)</u>	<u>(97,471)</u>
CAPITAL AND RESERVES			
Profit and loss account		<u>(101,205)</u>	<u>(97,471)</u>
SHAREHOLDERS' FUNDS		<u>(101,205)</u>	<u>(97,471)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

These financial statements were approved by the board on 11 November 2003.

On behalf of the board



.....
Cllr R Cook - Director

The annexed notes form part of these accounts.

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year.

Basis of Preparation of Financial Statements

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

The effect of events in relation to the year ended 31 March 2003 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 March 2003 and of the results for the year ended on that date.

Depreciation

Depreciation has been computed to write off the cost of tangible fixed assets over their expected useful lives using the following rates:

Computer software	- 3 years
Plant and machinery	- 10 years
Fixtures and fittings	- 3 years
Computer hardware and office equipment	- 3 - 7 years

Deferred Taxation

Deferred taxation is provided in full to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered.

Government grants

Grant income receivable is only brought into account if the related grant claim has been submitted and approved by the date of approval of the financial statements. Revenue based grants received are credited to the profit and loss account as the related expenditure is incurred. Capital based grants are treated as deferred income and transferred to the profit and loss account over the useful lives of the assets to which they relate.

Going concern

The company's objectives are to provide impartial and independent advice and support to small and medium enterprises predominantly in the manufacture support service sector.

The ability of the company to continue its operations is largely dependent upon the company being able to secure grants and other funding in advance and during the course of projects being undertaken.

The company has obtained funding to secure its short term future, typically two years. However, the company's long term future is dependent upon contracts for similar short term funding being renewed, or alternative sources of funding being obtained.

The directors believe that the company's track record and expertise, places it in a strong position to continue to obtain such funding.

Therefore the financial statements have been drawn up on a going concern basis on the grounds that the company will be able to secure adequate funding in order to carry out future proposed projects.

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003 (CONT)

2. TURNOVER

The company's turnover represents the value, excluding Value Added Tax, of grant and project funding provided to customers during the year.

3. NET OPERATING EXPENSES

	2003	2002
	£	£
Premises costs	381,359	383,001
Administrative expenses	33,692	43,980
Other operating income	(288,953)	(280,886)
	<u>126,098</u>	<u>146,095</u>

4. OPERATING LOSS

Operating loss is stated after charging:

	2003	2002
	£	£
Depreciation of owned assets	1,429	5,099
Auditors' remuneration – audit of the annual accounts	2,000	1,500
– audit of grant claims	6,889	5,080
	<u>10,318</u>	<u>11,679</u>

5. TAX ON DEFICIT ON ORDINARY ACTIVITIES

There was no tax charge in the current and previous year.

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003 (CONT)

6. TANGIBLE FIXED ASSETS

	Computer software £	Plant and machinery £	Fixtures and fittings £	Computer hardware and office equipment £	Total £
Cost					
At 1 April 2002 and 31 March 2003	102,839	20,761	36,021	164,189	323,810
Depreciation					
At 1 April 2002	102,315	20,761	35,576	163,729	322,381
Charge for the year	524	-	445	460	1,429
At 31 March 2003	102,839	20,761	36,021	164,189	323,810
Net book value					
At 31 March 2003	-	-	-	-	-
At 31 March 2002	524	-	445	460	1,429

7. DEBTORS

	2003 £	2002 £
Trade debtors	102,601	127,269
Other debtors	240,657	115,017
	343,258	242,286

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003 (CONT)

8. CREDITORS - AMOUNTS DUE WITHIN ONE YEAR

	2003	2002
	£	£
Bank loan and overdraft	-	19,990
Trade creditors	300,687	130,497
Other loans	81,175	60,664
Social security and other taxes	8,558	7,565
Other creditors	73,909	101,267
	<u>464,329</u>	<u>319,983</u>

9. CREDITORS - AMOUNTS DUE AFTER ONE YEAR

	2003	2002
	£	£
Other loans	<u>81,175</u>	<u>21,686</u>

At 31 March 2003, liabilities amounting to nil (2002: £19,990) were secured by company assets.

10. COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee and does not have a share capital. The liability of the members is limited to £1 each.

CADCAM APPLICATIONS TRAINING AND SUPPORT COMPANY LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 MARCH 2003 (CONT)

11. LEASING COMMITMENTS

At 31 March 2003 the company had annual commitments under non-cancelable operating leases as detailed below:

	2003 £	2002 £
Operating leases which expire:		
After more than five years	326,093	325,272
	<u>326,093</u>	<u>325,272</u>

The company receives a contribution from a third party towards property rentals. The contribution received during the year was £188,284 (2002: £187,515). Similar contributions are expected in future years.

12. CONTINGENT LIABILITIES

As part of its operations the company obtains project funding to finance expenditure on training and technology support. Project funding is usually received in instalments, and is subject to clawback by the provider if the company does not comply with funding agreements and fully achieve project objectives. Whilst the directors make every effort to ensure that all conditions are met when a claim is made, the amount of any potential future liability cannot be assessed with any degree of certainty.