

TECHTOOLS (MORDEN) LIMITED

Company No. 1647094

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31ST AUGUST 1998



Techtools (Morden) Limited
Report of the Directors
For the year ended 31st August 1998

The directors submit their report and accounts for the year ended 31st August 1998.

Principal Activities

The company's business remained that of export/import merchants.

Directors and their interests

The directors who served the company during the year together with their interests (including family interests) in the shares of the company at the beginning and end of the year, were as follows:-

S.H. Abbasbhai Hatimi	-	34 Ordinary £1 Shares
A. Abbasbhai Hatimi	-	33 Ordinary £1 Shares
H. Abbasbhai Hatimi	-	33 Ordinary £1 Shares

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 and prepare the financial statements on a going concern basis unless it is inappropriate to assume 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.

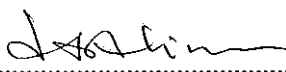
Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Auditors

Kingston Smith have indicated their willingness to continue in office and in accordance with the provisions of the Companies Act it is proposed that they be re-appointed auditors to the company for the ensuing year.

Approved by the Directors on 24-5-99
and signed on their behalf by:


..... Director
H.A. Hatimi

8-9 Rose Hill Court
St. Helier Avenue
Morden
Surrey
SM4 6TJ

Techtools (Morden) Limited
Auditors' Report to the Members of Techtools (Morden) Limited
For the year ended 31st August 1998

We have audited the financial statements on pages 3 to 7 which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective Responsibilities of Directors and Auditors

As described on page 1, the company's directors are responsible for the preparation of the 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 an 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st August 1998 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985.



Kingston Smith
Chartered Accountants
and Registered Auditors

Devonshire House
60 Goswell Road
London EC1M 7AD

28th June 1999

Techtools (Morden) Limited
Profit and Loss Account
For the year ended 31st August 1998

	Note	1998 £	1997 £
Turnover - continuing operations	1, 7	918,796	1,153,803
Cost of sales		<u>(793,467)</u>	<u>(993,947)</u>
Gross Profit		125,329	159,856
Administrative expenses		(135,256)	(99,072)
Exceptional item - claims provision no longer required	9	<u>-</u>	<u>14,352</u>
		(9,927)	75,136
Other operating income		<u>1,398</u>	<u>-</u>
Operating (Loss)/Profit	2	(8,529)	75,136
Interest receivable		4,485	2,834
Interest payable		<u>-</u>	<u>(947)</u>
(Loss)/Profit on Ordinary Activities before Taxation		(4,044)	77,023
Taxation	3	<u>572</u>	<u>(14,682)</u>
Retained (Loss)/Profit for the Financial Year	8	<u><u>(3,472)</u></u>	<u><u>62,341</u></u>

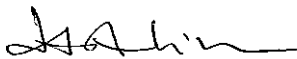
There are no recognised gains and losses in the year other than the results for the year.

Techtools (Morden) Limited
Balance Sheet at 31st August 1998

	Note	1998 £	1997 £
Current Assets			
Stock	4	25,262	621
Debtors	5	94,583	123,291
Cash at bank and in hand		<u>137,770</u>	<u>184,174</u>
		257,615	308,086
Creditors: Amounts falling due within one year	6	<u>(117,968)</u>	<u>(164,967)</u>
Net Current Assets		<u>139,647</u>	<u>143,119</u>
Net Assets		<u><u>139,647</u></u>	<u><u>143,119</u></u>
Capital and Reserves			
Called up share capital - equity interests	8	100	100
Profit and Loss Account	8	<u>139,547</u>	<u>143,019</u>
Shareholders' Funds		<u><u>139,647</u></u>	<u><u>143,119</u></u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

Approved by the board on 24-5-99
and signed on their behalf by:


.....
H.A. Hatimi

Director

Techtools (Morden) Limited
Notes to the Financial Statements
For the year ended 31st August 1998

1 Accounting Policies

Accounting Basis and Standards

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

Turnover

Turnover represents the invoiced value of goods sold and services provided net of value added tax.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Foreign Currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions denominated in foreign currencies are translated into sterling at the rate of exchange ruling at the date of the transaction. Exchange differences are dealt with in the profit and loss account.

2 Operating (Loss)/Profit

	1998 £	1997 £
Operating (loss)/profit is stated after charging:		
Audit fee	<u>2,400</u>	<u>2,325</u>

3 Taxation

	1998 £	1997 £
Corporation tax at the rate of 21% (1997 - 21%/24%)	<u>(572)</u>	<u>14,682</u>

4 Stock

	1998 £	1997 £
Goods for resale	<u>25,262</u>	<u>621</u>

5 Debtors

	1998 £	1997 £
Trade debtors	61,536	115,317
Other debtors	<u>33,047</u>	<u>7,974</u>
	<u>94,583</u>	<u>123,291</u>

Techtools (Morden) Limited
Notes to the Financial Statements
For the year ended 31st August 1998 (Continued)

6 Creditors: Amounts falling due within one year	1998	1997
	£	£
Bank overdraft	12,328	-
Trade creditors	75,998	43,217
Corporation tax	-	14,682
Other creditors	11,394	39,177
Amounts owed to related companies	15,848	65,621
Accruals	2,400	2,270
	<u>117,968</u>	<u>164,967</u>

7 Turnover

Turnover attributable to geographical markets outside the United Kingdom amounted to 100% (1997: 100%).

8 Shareholders' Funds

	Called Up Share Capital £	Profit and Loss Account £	Total £
Balance at 1st September 1997	100	143,019	143,119
Transfer from profit and loss account	-	(3,472)	(3,472)
	<u>100</u>	<u>139,547</u>	<u>139,647</u>
Balance at 31st August 1998			
Share capital comprises:		1998	1997
		£	£
Authorised:			
100 Ordinary shares of £1 each		<u>100</u>	<u>100</u>
Called up, allotted and fully paid:			
100 Ordinary Shares of £1 each		<u>100</u>	<u>100</u>

The movements in shareholders' funds in the previous year are set out below:

	Called Up Share Capital £	Profit and Loss Account £	Total £
Balance at 1st September 1996	100	80,678	80,778
Transfer to profit and loss account	-	62,341	62,341
	<u>100</u>	<u>143,019</u>	<u>143,119</u>
Balance at 31st August 1997			

Techtools (Morden) Limited
Notes to the Financial Statements
For the year ended 31st August 1998 (Continued)

9 Exceptional Item

Write back of provision for claims for defective goods no longer required.

10 Directors' Interest in Contracts

During the year the company paid a management fee of £126,000 to Dhalgra Limited, a company in which all the directors (either themselves or with their families) have a material interest. The fee for services was made on normal commercial terms. At 31st August 1998 the company owed Dhalgra Limited £15,848.

11 Related Parties and Controlling Parties

The three directors in concert control the company by virtue of their shareholdings.