

# Forest Traffic Signals Limited

## REPORT AND ACCOUNTS

31 March 2002



Registered Number 1664145

# Forest Traffic Signals Limited

## COMPANY INFORMATION

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DIRECTORS:

A R Williams  
I P Martin  
C C Powell

COMPANY SECRETARY:

S C Harry

COMPANY NUMBER:

1664145

REGISTERED OFFICE:

Albany Street  
Newport  
Gwent  
NP20 5NJ

INDEPENDENT AUDITORS:

Baker Tilly  
Spectrum House  
20-26 Cursitor Street  
London  
EC4A 1HY

BANKERS:

National Westminster bank Plc  
PO Box 44  
96 Queen Street  
Cardiff  
CF1 1TX

SOLICITORS:

Edwards Geldard  
Dumfries House  
Dumfries Place  
Cardiff  
CF10 3ZF

# Forest Traffic Signals Limited

## DIRECTORS' REPORT

31 March 2002

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The directors present their report and accounts for the year ended 31 March 2002.

### PRINCIPAL ACTIVITY AND BUSINESS REVIEW

The company's principal activity during the year continued to be the installation and hire of traffic signals and plant. The directors are satisfied with the result for the year.

### RESULTS AND DIVIDENDS

The profit for the period amounted to £71,101 (2001: £3,651). No dividends were paid or proposed during the current or previous periods.

### FUTURE DEVELOPMENTS

The directors are confident of continued growth in the coming year.

### FIXED ASSETS

Movements in fixed assets are disclosed in note 6 to the accounts.

### DIRECTORS AND DIRECTORS' INTERESTS

The directors of the company and their interests in the share capital of the company at the balance sheet date were as follows:

		£1 ordinary shares	
		2002	2001
M J Williams	(resigned 13 June 2002)	-	-
A R Williams		-	-
I P Martin	(appointed 24 June 2002)	-	-
C C Powell	(appointed 24 June 2002)	-	-

The interests of the directors in the shares of the company's ultimate parent undertaking, Transport Systems Plc, are disclosed in that company's accounts.

### 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 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

# Forest Traffic Signals Limited

## DIRECTORS' REPORT

31 March 2002

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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 have a general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

### AUDITORS

A resolution to re-appoint Baker Tilly (formerly HLB Kidsons) as auditors will be put to the members at the annual general meeting.

By order of the board



A R Williams  
Director

### Registered office

Albany Street  
Newport  
Gwent  
NP20 5NJ

25 September 2002

# Forest Traffic Signals Limited

## INDEPENDENT AUDITORS' REPORT

31 March 2002

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FOREST TRAFFIC SIGNALS LIMITED

We have audited the financial statements on pages 4 to 10.

#### RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Directors' Responsibilities.

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 other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

#### 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 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 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

BAKER TILLY

Chartered Accountants

Registered Auditors

London

25 September 2002

# Forest Traffic Signals Limited

## PROFIT AND LOSS ACCOUNT

For the year ended 31 March 2002

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	<i>Note</i>	2002 £	2001 £
TURNOVER	<i>1</i>	1,053,114	684,634
Cost of sales		<u>(238,595)</u>	<u>(111,270)</u>
GROSS PROFIT		814,519	573,364
Administrative expenses		<u>(700,367)</u>	<u>(561,081)</u>
OPERATING PROFIT	<i>2</i>	114,152	12,283
Interest receivable and similar income		92	1,415
Interest payable and similar charges	<i>4</i>	<u>(20,307)</u>	<u>(10,047)</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		93,937	3,651
Taxation on profit on ordinary activities	<i>5</i>	<u>(22,836)</u>	<u>-</u>
RETAINED PROFIT FOR THE PERIOD		<u><u>71,101</u></u>	<u><u>3,651</u></u>

There are no gains or losses other than those shown in the profit and loss account.

All activities are classed as continuing.

# Forest Traffic Signals Limited

## BALANCE SHEET

As at 31 March 2002

	Note	£	2002 £	£	2001 £
FIXED ASSETS					
Tangible assets	6		436,910		265,836
CURRENT ASSETS					
Stocks	7	3,000		33,000	
Debtors	8	276,656		228,714	
Cash at bank and in hand		<u>550</u>		<u>5,173</u>	
		280,206		266,887	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR	9	<u>(362,198)</u>		<u>(239,544)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(81,992)</u>		<u>27,343</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			354,918		293,179
CREDITORS: amounts falling due after more than one year	10		<u>(95,227)</u>		<u>(104,589)</u>
			<u>259,691</u>		<u>188,590</u>
CAPITAL AND RESERVES					
Called up share capital	12		688		688
Profit and loss account	13		<u>259,003</u>		<u>187,902</u>
			<u>259,691</u>		<u>188,590</u>

Approved by the board of directors on 25 September 2002

On behalf of the board



A R Williams  
Director

# Forest Traffic Signals Limited

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

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### 1 ACCOUNTING POLICIES

#### ACCOUNTING CONVENTION

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

#### DEPRECIATION

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value of each asset evenly over its expected useful life, as follows:

Computer equipment	33% per annum
Plant and machinery	14% - 50% per annum

#### STOCKS

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

#### TURNOVER

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties, and is all in respect of the one continuing activity.

#### OPERATING LEASE AGREEMENTS

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against the profits on a straight line basis over the period of the lease.

#### HIRE PURCHASE OBLIGATIONS

Assets held under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives. The corresponding hire purchase obligation is included in the balance sheet as a liability. The interest element of the repayments is charged to the profit and loss account over the period of the contract and represents a constant proportion of the balance of the capital repayments outstanding.

#### PENSION COSTS

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

#### DEFERRED TAXATION

Provision is made, under the liability method, to take account of timing differences between the treatment of certain items for accounts purposes and their treatment for tax purposes. Tax deferred or accelerated is accounted for in respect of all material timing differences.



# Forest Traffic Signals Limited

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

2	OPERATING PROFIT	2002 £	2001 £
	This is stated after charging:		
	Depreciation of owned fixed assets	77,039	50,446
	Depreciation of assets held under finance leases and hire purchase contracts	44,528	27,246
	Profit on disposal of fixed assets	(14,044)	85
	Operating lease rentals – land and buildings	40,000	40,000
	Operating lease rentals – other	53,879	44,464
	Auditors' remuneration	<u>2,750</u>	<u>2,000</u>
3	STAFF COSTS	2002 £	2001 £
	Wages and salaries	355,251	261,904
	Social security costs	33,257	25,402
	Other pension costs	<u>5,579</u>	<u>6,440</u>
		<u>394,087</u>	<u>293,746</u>
	The monthly average number of employees during the year was as follows:	2002 Number	2001 Number
	Administration	4	3
	Production	<u>13</u>	<u>11</u>
		<u>17</u>	<u>14</u>
4	INTEREST PAYABLE AND SIMILAR CHARGES	2002 £	2001 £
	Bank overdraft	-	10
	Hire purchase obligations	20,307	9,848
	Other	<u>-</u>	<u>189</u>
		<u>20,307</u>	<u>10,047</u>
5	TAX ON PROFIT ON ORDINARY ACTIVITIES	2002 £	2001 £
	Under provision in previous years	<u>22,836</u>	<u>-</u>
	TAX RECONCILIATION		
	Profit before taxation	93,937	3,651
	Tax at 20% (2001: 10%)	18,787	365
	Disallowed expenses	593	533
	Timing differences	(3,070)	(5,492)
	Tax losses	(16,310)	4,594
	Underprovision in prior years	<u>22,836</u>	<u>-</u>
	Current year charge	<u>22,836</u>	<u>-</u>

# Forest Traffic Signals Limited

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

6	TANGIBLE FIXED ASSETS	Office and computer equipment £	Plant and machinery £	Total £
	COST			
	At 1 April 2001	20,783	538,161	558,944
	Additions	1,020	291,622	292,642
	Disposals	-	(99,215)	(99,215)
	At 31 March 2002	<u>21,803</u>	<u>730,568</u>	<u>752,371</u>
	DEPRECIATION			
	At 1 April 2001	8,199	284,909	293,108
	Charge for the year	7,040	114,527	121,567
	Disposals	-	(99,214)	(99,214)
	At 31 March 2002	<u>15,239</u>	<u>300,222</u>	<u>315,461</u>
	NET BOOK VALUE			
	At 31 March 2002	<u>6,564</u>	<u>430,346</u>	<u>436,910</u>
	At 31 March 2001	<u>12,584</u>	<u>253,252</u>	<u>265,836</u>

	2002 £	2001 £
Net book value of plant and machinery included above held under finance leases and hire purchase contracts	<u>273,256</u>	<u>115,805</u>
Net book value of office and computer equipment included above held under finance leases and hire purchase contracts	<u>5,657</u>	<u>12,584</u>

7	STOCKS	2002 £	2001 £
	Raw materials and consumables	<u>3,000</u>	<u>33,000</u>

The difference between purchase price or production cost of raw materials and their replacement cost is not material.

8	DEBTORS	2002 £	2001 £
	Trade debtors	243,402	179,621
	Other debtors	7,345	7,614
	Advance corporation tax recoverable	-	22,836
	Amounts due from group undertakings	3,304	3,525
	Prepayments	<u>22,605</u>	<u>15,118</u>
		<u>276,656</u>	<u>228,714</u>

# Forest Traffic Signals Limited

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

9	CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	2002 £	2001 £
	Bank overdraft	10,337	-
	Trade creditors	100,712	145,210
	Amounts owed to parent undertaking	80,120	15,222
	Other taxation and social security costs	48,879	15,863
	Obligations under finance lease and hire purchase contracts	94,064	46,447
	Accruals	9,827	7,533
	Other creditors	<u>18,259</u>	<u>9,269</u>
		<u>362,198</u>	<u>239,544</u>

National Westminster Bank plc hold an unscheduled mortgage debenture incorporating a fixed and floating charge over all current and future assets of the company.

10	CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR	2002 £	2001 £
	Obligations under finance lease and hire purchase contracts	95,227	17,657
	Amounts owed to group undertakings	<u>-</u>	<u>86,932</u>
		<u>95,227</u>	<u>104,589</u>

11	OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS	2002 £	2001 £
	Amounts payable:		
	Within one year	94,064	46,447
	Within two to five years	<u>95,227</u>	<u>17,657</u>
		<u>189,291</u>	<u>64,104</u>

12	SHARE CAPITAL	2002 £	2001 £
	Authorised:		
	Ordinary shares of £1 each	<u>700</u>	<u>700</u>
		2002 Number	2001 Number
	Allotted, called up and fully paid:		
	Ordinary shares of £1 each	<u>688</u>	<u>688</u>

13	PROFIT AND LOSS ACCOUNT	2002 £	2001 £
	At 1 April 2001	187,902	184,251
	Retained profit for the period	<u>71,101</u>	<u>3,651</u>
	At 31 March 2002	<u>259,003</u>	<u>187,902</u>

# Forest Traffic Signals Limited

## NOTES TO THE ACCOUNTS

For the year ended 31 March 2002

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14	OTHER FINANCIAL COMMITMENTS	2002	2001
		£	£

The company has annual commitments under non-cancellable operating leases as follows:

Those expiring in less than one year:

Other	<u>44,064</u>	<u>-</u>
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Those expiring in two to five years:

Land and buildings	40,000	40,000
Other	<u>12,591</u>	<u>50,625</u>
	<u>52,591</u>	<u>90,625</u>

### 15 ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is Transport Systems Plc. Copies of the accounts of that company are available from Transport Systems Plc, Albany Street, Newport, Gwent, NP20 5NJ.

### 16 RELATED PARTY TRANSACTIONS

The company has taken advantage of the exemptions available in paragraph 3(c) of FRS 8 from the requirement to disclose transactions between the parent and fellow subsidiary companies.