

STATUTORY COPY

1999++

TQC LIMITED

ABBREVIATED ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER 1997





AUDITORS' REPORT TO THE DIRECTORS OF

TQC LIMITED

UNDER SECTION 247B TO THE COMPANIES ACT 1985

We have examined the abbreviated financial statements set out on pages 2 to 5, together with the financial statements of the company for the year ended 30 September 1997 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements 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 financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 5 are properly prepared in accordance with those provisions.

Registered Auditor
Chartered Accountants

16 March 1998

TQC LIMITED


ABBREVIATED BALANCE SHEET

AT 30 SEPTEMBER 1997

	Note	1997 £	1996 £
Fixed assets			
Tangible assets	2	254,066	244,803
Investments		133,002	133,002
		<u>387,068</u>	<u>377,805</u>
Current assets			
Stocks		98,482	100,317
Debtors		373,071	179,337
Cash at bank and in hand		523	1,824
		<u>472,076</u>	<u>281,478</u>
Creditors: amounts falling due within one year	3	(603,847)	(425,995)
Net current liabilities		<u>(131,771)</u>	<u>(144,517)</u>
Total assets less current liabilities		<u>255,297</u>	<u>233,288</u>
Creditors: amounts falling due after more than one year	3	(74,076)	(97,951)
Net assets		<u>181,221</u>	<u>135,337</u>
Capital and reserves			
Called up share capital	4	80,000	80,000
Share premium account		10,000	10,000
Revaluation reserve		172,257	172,257
Profit and loss account		(81,036)	(126,920)
Total shareholders' funds		<u>181,221</u>	<u>135,337</u>

Advantage is taken of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 with respect to the delivery of individual accounts. In the opinion of the directors the company is entitled to those exemptions on the grounds that it has met the qualifications for a small company specified in sections 246 and 247.

The abbreviated accounts on pages 2 to 5 were approved by the board of directors and signed on its behalf by:


)
 M. S. Pendleton) Directors
)

16 March 1998

The notes on pages 3 to 5 form an integral part of these accounts

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1997

1 ACCOUNTING POLICIES

The accounts have been prepared in accordance with acceptable accounting standards. A summary of the principal accounting policies is set out below, all of which have been applied throughout the current year and preceding year.

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules, modified by the revaluation of certain fixed assets.

Consolidation

The directors have taken advantage of section 248 of the Companies Act 1985 not to prepare consolidated accounts on the grounds that the company is entitled to this exemption as a small group.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or subsequent valuation. Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Freehold buildings	2% per annum, straight line.
Plant and machinery	10%-25% per annum, straight line.
Motor vehicles	25% per annum, reducing balance.
Fixtures and fittings	10%-25% per annum, straight line.

Profits or losses on the disposal of tangible fixed assets are included in the calculation of operating profit.

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. The cost of finished goods and work in progress include directly attributable costs.

Research and development

Research and development expenditure is charged to the profit and loss account in the period in which it is incurred.

Cashflow statement

The company has taken advantage of the exemption conferred by FRS1, whereby a cashflow statement need not be prepared by a small company, as defined in the Companies Act 1985.

Long term contracts

Turnover and related costs on each long term contract are recorded in the profit and loss account as contract activity progresses. Turnover is calculated on the basis of the value of work done and when a profitable outcome to the contract can be assessed with reasonable certainty. Attributable profit is calculated on a prudent basis for each contract by reference to the contract's cumulative turnover, total contract value and total profit estimated for the completed contract. Full provision is made for losses on a contract which is estimated to be unprofitable.

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1997

1 ACCOUNTING POLICIES continued

Long term contracts (continued)

Work in progress is stated, on a contract by contract basis, at net costs less foreseeable losses and applicable payments on account. Any resulting excesses on a particular contract are included in other creditors or trade debtors depending on whether they have been paid.

Taxation

Corporation tax is provided on taxable profits at the current rate.

Deferred taxation is provided only to the extent that it is probable a liability will crystallise in the foreseeable future.

Leased assets

Assets held under hire purchase contracts and the related obligations are recorded in the balance sheet at the fair value for the asset at the start of the contract. The amounts by which the repayments exceed the recorded obligations are treated as interest charges which are amortised over the term of the contract.

The cost of operating leases are charged to the profit and loss account as they accrue.

Pension costs

The expected cost of providing pensions is charged to the profit and loss account so as to spread the costs over the service lives of employees in the scheme, in such a way that the pensions cost is a substantially level percentage of current and expected future pensionable payroll.

Grants received

Grants received from the Department of Trade and Industry in respect of work done on projects are immediately written off to cost of sales.

Foreign currency

Foreign currency transactions are translated at the average rate for the month in which they occur.

Assets and liabilities expressed as foreign currencies are translated at the rate of exchange ruling at the balance sheet date or forward ordered rates. Exchange differences which arise from normal trading activities are included in the calculation of operating profit

Turnover

Turnover represents amounts derived from the provision of goods and services in the normal course of business. All turnover in the year and the previous year is generated in the EC from continuing operations.

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1997

1 ACCOUNTING POLICIES continued

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TQC LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 1997

2 TANGIBLE FIXED ASSETS

Cost or valuation	Motor Vehicles £	Plant and Machinery £	Fixtures and Fittings £	Land and Buildings £	Total £
1 October 1996	2,450	26,285	231,722	215,000	475,457
Additions	-	-	23,526	2,103	25,629
30 September 1997	2,450	26,285	255,248	217,103	501,086
Depreciation					
1 October 1996	965	25,447	195,674	8,568	230,654
Charge for year	1,235	235	13,817	1,079	16,366
30 September 1997	2,200	25,682	209,491	9,647	247,020
Net book amount					
30 September 1997	250	603	45,757	207,456	254,066
30 September 1996	1,485	838	36,048	206,432	244,803

Land and buildings are stated at a 1994 professional valuation. The comparable amounts determined according to the historical cost convention are as follows:

	1997 £	1996 £
Cost	59,065	56,962
Accumulated depreciation	(27,428)	(25,065)
	<u>31,637</u>	<u>31,897</u>

3 CREDITORS

The company has liabilities of £200,882 secured against the assets of the company at the year end (1996:£176,530).

4 CALLED UP SHARE CAPITAL

	1997 £	1996 £
Authorised		
80,000 Ordinary shares of £1 each	<u>80,000</u>	<u>80,000</u>
Allotted, called up and fully paid		
80,000 Ordinary shares of £1 each	<u>80,000</u>	<u>80,000</u>