

AUDITOR'S REPORT TO THE MEMBERS OF SILVERTRONIC LIMITEDUNDER SCHEDULE 8 (10) OF THE COMPANIES ACT 1985

I have examined the Modified Accounts set out on pages 2 and 3 which have been properly prepared in accordance with Schedule 8 of the Companies Act 1985. In my opinion the Company satisfied the requirements of Sections 247 to 249 of the Companies Act for exemption as a small company for the year ended 31st March 1995.

I reproduce below my Audit Report to the Members of the Company on the full Accounts (not appended hereto) for the year ended 31st March 1995:-

"I have audited the Financial Statements on pages 4 to 8 which have been prepared under the historical cost convention.

Respective responsibilities of directors and auditors

As described on page 2 the Company's directors are responsible for the preparation of financial statements. It is my responsibility to form an independent opinion, based on my audit, on those statements and to report my opinion to you.

Basis of Opinion

I conducted my 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.

I have planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me 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 my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion the financial statements give a true and fair view of the state of the Company's affairs as at 31st March 1995 and of its Profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies. "



IAN R. HOY
Certified Accountant
Registered Auditor

Dated this 31st day of May 1995.



SILVERTRONIC LIMITED

BALANCE SHEET

AS AT 31ST MARCH 1995

	<u>Notes</u>	<u>1995</u> <u>£</u>	<u>1994</u> <u>£</u>
<u>TANGIBLE FIXED ASSETS</u>		66027	57423
<u>CURRENT ASSETS</u>			
Stock and Work in Progress	127862		136930
Debtors	175908		196677
Cash in Hand and at Bank	<u>1596</u>		<u>93</u>
	305366		333705
<u>CREDITORS</u> - Amounts falling due within one year	<u>156341</u>		<u>180651</u>
<u>NET CURRENT ASSETS</u>		<u>149025</u>	<u>153054</u>
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>		215052	210477
<u>CREDITORS</u> - Amounts falling due after more than one year		<u>21504</u>	<u>19950</u>
		<u>193548</u>	<u>190527</u>
<u>CAPITAL AND RESERVES</u>			
Share Capital	2	20623	20623
Share Premium Account		169682	169682
Profit and Loss Account		<u>3243</u>	<u>222</u>
		<u>193548</u>	<u>190527</u>

H. W. Spence)

J. Devereux)

) Directors

We have relied on the exemptions for individual accounts available under the Companies Act 1985 and have done so on the basis that the Company is entitled to the benefit of those exemptions as a small Company. The accounts were approved by the Board of Directors on 31st May 1995.

SILVERTRONIC LIMITED

NOTES TO THE ACCOUNTS - YEAR ENDED 31ST MARCH 1995

1. ACCOUNTING POLICIES

General

The Accounts of the Company have been prepared under the Historical Cost Convention fully in accordance with normal fundamental accounting concepts.

Depreciation

All tangible fixed assets are subjected to reasonable depreciation on bases which are consistent with those of the previous year as follows:-

Plant and Equipment	- 25% to 33 $\frac{1}{3}$ % Straight Line
Fixtures and Fittings	- 25% Straight Line
Patents	- 25% Straight Line

Research and Development

R and D expenditure is written off in the year in which it is incurred.

Stock and Work in Progress

Stock and Work in Progress are valued at the lower of Cost and Net Realisable Value after making due allowance for obsolete and slow moving items. Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Own Work Capitalised

The expenditure incurred on the production of the Company's own machine tools and moulds is capitalised and written off over three years. The expenditure includes materials, labour and a proportion of fixed and variable overheads.

2. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
	<u>£</u>	<u>£</u>
<u>Authorised</u>	<u>150000</u>	<u>150000</u>
<u>Issued and Fully Paid</u>		
Ordinary Shares of £1 each	242	242
Non Voting Redeemable Preference Shares of £1 each	<u>20381</u>	<u>20381</u>
	<u>20623</u>	<u>20623</u>

3. COMPANY STATUS

The Company is a close company under the provisions of the Income and Corporation Taxes Act, as amended.