

**Skalar (UK) Limited**

**Report and Financial Statements**

**Year Ended 31 December 1996**

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**THOMAS COOMBS**  
THE YORKSHIRE ACCOUNTANTS

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CHARTERED ACCOUNTANTS, CENTURY HOUSE, 29 CLARENDON ROAD, LEEDS LS2 9FG

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# **Skalar (UK) Limited**

## **Annual report and financial statements for the year ended 31 December 1996**

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### **Directors**

L. Plevier (Chairman)  
R. Hill

### **Secretary and registered office**

R. Hill, Murton Way, Osbaldwick, York, North Yorkshire, YO1 3US

### **Registered number**

02377192

### **Auditors**

Thomas Coombs & Son, Century House, 29 Clarendon Road, Leeds LS2 9PG

### **Solicitors**

Charles Russell, 8-10 New Fetter Lane, London EC4A 1RS

### **Bankers**

National Westminster Bank plc, 1 Market Street, York YO1 1YH

## **Skalar (UK) Limited**

### **Report of the directors for the year ended 31 December 1996**

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The directors present their report together with the audited financial statements for the year ended 31 December 1996.

#### **Results and dividends**

The profit and loss account is set out on page 4 and shows the profit for the year.

The directors do not recommend the payment of a dividend and the retained profit of £24,596 is to be carried to reserves.

#### **Principal activities, trading review and future developments**

The company's principal activity continued to be that of trading as a distributor of environmental laboratory equipment manufactured by a subsidiary undertaking of the ultimate parent undertaking, together with the supply of an after sales programme, including regular service and chemical reagent supply.

The directors are satisfied with the results for the year, the state of affairs and the company's future prospects.

#### **Directors**

The directors of the company during the year and their interests in the ordinary share capital of the company were:

	<b>Ordinary shares of £1 each</b>	
	<b>1996</b>	<b>1995</b>
L. Plevier (Chairman)	-	-
R. Hill	15	15

The interest of Mr L. Plevier in the issued share capital of the company's ultimate parent undertaking, Skalar Holding BV, is disclosed in the financial statements of that company.

Report of the directors for the year ended 31 December 1996 (*Continued*)

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**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 judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the 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.

**Auditors**

Thomas Coombs & Son have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

In preparing this report the directors have taken advantage of the special exemptions applicable to small companies.

**By order of the board**

R. Hill

Secretary



16th April 1997

**Skalar (UK) Limited**

**Report of the auditors**

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**To the shareholders of Skalar (UK) Limited**

We have audited the financial statements on pages 4 to 14 which have been prepared under the accounting policies set out on pages 6 to 7.

*Respective responsibilities of directors and auditors*

As described on page 2 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 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 judgments 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 as at 31 December 1996 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**THOMAS COOMBS & SON**

*Chartered Accountants  
and Registered Auditors*

Leeds

*16th April 1997*

**Skalar (UK) Limited****Profit and loss account for the year ended 31 December 1996**

	Note	1996 £	1995 £
Turnover	2	921,919	764,230
Cost of sales		487,692	419,549
<b>Gross profit</b>		<b>434,227</b>	<b>344,681</b>
Selling and distribution costs		232,870	217,806
Administrative expenses		173,943	128,666
		27,414	(1,791)
Other operating income		11,398	-
<b>Operating profit/(loss)</b>	5	<b>38,812</b>	<b>(1,791)</b>
Interest payable and similar charges	6	5,937	4,654
<b>Profit/(loss) on ordinary activities before taxation</b>		<b>32,875</b>	<b>(6,445)</b>
Taxation	7	8,279	1,049
<b>Profit/(loss) on ordinary activities after taxation retained for the year</b>		<b>24,596</b>	<b>(7,494)</b>
Retained profit brought forward		39,139	46,633
<b>Retained profit carried forward</b>		<b>63,735</b>	<b>39,139</b>

All amounts relate to continuing activities.

All recognised gains and losses are included in the profit and loss account.

The notes on pages 6 to 14 form part of these financial statements.

**Skalar (UK) Limited**

**Balance sheet at 31 December 1996**

	Note	1996	1995
		£	£
<b>Fixed assets</b>			
Tangible assets	8	82,490	87,796
<b>Current assets</b>			
Stocks	9	109,425	100,195
Debtors	10	159,743	162,606
Cash at bank and in hand		80,421	68,352
		<u>349,589</u>	<u>331,153</u>
<b>Creditors: amounts falling due within one year</b>	11	339,571	357,759
		<u></u>	<u></u>
<b>Net current assets/(liabilities)</b>		10,018	(26,606)
		<u></u>	<u></u>
<b>Total assets less current liabilities</b>		92,508	61,190
		<u></u>	<u></u>
<b>Creditors: amounts falling due after more than one year</b>	12	28,673	21,951
		<u></u>	<u></u>
<b>Net assets</b>		63,835	39,239
		<u></u>	<u></u>
<b>Capital and reserves</b>			
Called up share capital	14	100	100
Profit and loss account		63,735	39,139
		<u></u>	<u></u>
<b>Shareholders' funds</b>	15	63,835	39,239
		<u></u>	<u></u>

All amounts relate to equity interests.

The financial statements were approved by the Board on 16th April 1997

L. Plevier

R. Hill

Directors

The notes on pages 6 to 14 form part of these financial statements.

## 1 Accounting policies

The financial statements have been prepared under the historical cost convention and are in accordance with applicable accounting standards. The following principal accounting policies have been applied:

### *Turnover*

Turnover represents the amounts invoiced to customers, excluding value added tax, in respect of goods despatched and services rendered during the year and the selling value of completed contracts.

### *Depreciation*

Depreciation is calculated to write off the values of fixed assets in equal annual instalments over their estimated useful lives. The annual rates used are:

Plant and Machinery	-	20%
Motor Vehicles	-	25%
Fixtures and Fittings	-	20%
Computer Equipment	-	33 1/3%

### *Stocks*

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

### *Foreign currencies*

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit/(loss).

### *Deferred taxation*

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes to the extent that it is probable that a liability or asset will crystallise.



**Accounting policies (*continued*)**

*Leased assets*

Where assets are financed by leasing agreements that give right approximating to ownership ('finance leases'), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are split between capital and interest using the actuarial method. The interest is charged to the profit and loss account. The capital part reduces the amount payable to the lessor.

All other leases are treated as 'operating leases'. Their annual rentals are charged to the profit and loss account on a straight-line basis over the lease term.

*Pensions*

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

*Research and development costs*

Research and development costs are charged to the profit and loss account as incurred.

**2 Turnover and profit/(loss)**

Turnover and profit/(loss) are wholly attributable to the principal activity of the company.

Analysis by market:

	1996 £	1995 £
United Kingdom	847,533	723,892
Europe	74,386	37,474
Rest of world	-	2,864
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	921,919	764,230
	<hr/>	<hr/>

## Skalar (UK) Limited

Notes forming part of the financial statements for the year ended 31 December 1996 (*Continued*)

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### 3 Employees

Staff costs (including directors) consist of:

	1996 £	1995 £
Wages and salaries	156,116	136,328
Social security costs	15,388	12,860
Other pension costs	8,302	8,364
	<hr/>	<hr/>
	179,806	157,552
	<hr/>	<hr/>

The average number of employees (including directors) during the year was as follows:

	1996 Number	1995 Number
Directors	2	2
Administration	5	5
Distribution	5	5
	<hr/>	<hr/>
	12	12
	<hr/>	<hr/>

**4 Directors' emoluments**

	1996 £	1995 £
Emoluments for services as directors	34,896	32,906
Other emoluments	6,451	5,311
	<u>41,347</u>	<u>38,217</u>
Emoluments (excluding pension contributions) of:		
Chairman	-	-
Highest paid director	38,098	35,562
	<u>38,098</u>	<u>35,562</u>

No other director received any emoluments during the year.

**5 Operating profit/(loss)**

This is arrived at after charging/(crediting):

	1996 £	1995 £
Depreciation of tangible fixed assets		
- owned by the company	14,908	15,808
- held under finance leases	17,774	14,993
Auditors' remuneration	2,600	2,600
Hire of plant and machinery	3,534	2,539
Loss/(profit) on sale of fixed assets	(4,344)	346
Research and development costs	5,863	-
Foreign exchange differences	(40,025)	9,034
	<u>(40,025)</u>	<u>9,034</u>

In order to provide a true and fair view foreign exchange differences resulting from the trading activities of the company have been reclassified from Administrative Expenses to Cost of Sales. Comparative figures have been restated accordingly.

**Skalar (UK) Limited**Notes forming part of the financial statements for the year ended 31 December 1996 (*Continued*)**6 Interest payable and similar charges**

	1996 £	1995 £
On bank loans, overdrafts and other loans, repayable within 5 years	-	42
On finance leases and hire purchase contracts	5,937	4,285
On loans from group undertakings	-	327
	<hr/>	<hr/>
	5,937	4,654
	<hr/>	<hr/>

**7 Taxation**

	1996 £	1995 £
<i>Current Year</i>		
UK Corporation Tax at 24.5% (1996 - 25.0%)	8,318	1,085
	<hr/>	<hr/>
	8,318	1,085
<i>Prior years</i>		
UK corporation tax	(39)	(36)
	<hr/>	<hr/>
	8,279	1,049
	<hr/>	<hr/>

**Skalar (UK) Limited**

Notes forming part of the financial statements for the year ended 31 December 1996 *(Continued)*

**8 Tangible assets**

	Plant and Machinery £	Motor Vehicles £	Fixtures and Fittings £	Computer Equipment £	Total £
<i>Cost</i>					
At 1 January 1996	9,830	69,273	22,940	27,768	129,811
Additions	176	35,414	5,484	1,999	43,073
Disposals	-	(30,019)	-	(11,420)	(41,439)
At 31 December 1996	10,006	74,668	28,424	18,347	131,445
<i>Depreciation</i>					
At 1 January 1996	2,324	18,045	8,541	13,105	42,015
Provided for the year	1,998	17,774	4,948	7,962	32,682
Disposals	-	(17,904)	-	(7,838)	(25,742)
At 31 December 1996	4,322	17,915	13,489	13,229	48,955
<i>Net Book Value</i>					
At 31 December 1996	5,684	56,753	14,935	5,118	82,490
At 31 December 1995	7,506	51,228	14,399	14,663	87,796

Included above are assets held under finance leases or hire purchase contracts as follows:

	1996 £	1995 £
Motor vehicles	56,753	51,228

**9 Stocks**

	1996 £	1995 £
Goods for resale	109,425	100,195

**10 Debtors**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Trade debtors	134,142	152,148
Due from parent and fellow subsidiaries	2,864	2,864
Other debtors	2,342	-
Prepayments and accrued income	20,395	7,594
	<hr/>	<hr/>
	159,743	162,606
	<hr/>	<hr/>

All amounts shown under debtors fall due for payment within one year.

**11 Creditors: amounts falling due within one year**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Net obligations under finance lease and hire purchase contracts	18,365	20,343
Trade creditors	47,491	23,319
Amounts owed to parent and fellow subsidiaries	189,519	265,056
Corporation tax	8,318	620
Taxation and social security	52,457	38,170
Accruals and deferred income	23,421	10,251
	<hr/>	<hr/>
	339,571	357,759
	<hr/>	<hr/>

**12 Creditors: amounts falling due after more than one year**

	1996 £	1995 £
Net obligations under finance lease and hire purchase contracts	28,673	21,951
	<hr/>	<hr/>
Included within the above are amounts falling due as follows:		
In 1 - 2 years:		
Finance lease and hire purchase obligations	13,380	14,368
In 2 - 5 years:		
Finance lease and hire purchase obligations	15,293	7,583
	<hr/>	<hr/>
	28,673	21,951
	<hr/>	<hr/>

**13 Provisions for liabilities and charges***Deferred Taxation*

	1996 Unprovided £	1996 Provided in accounts £	1995 Unprovided £	1995 Provided in accounts £
Accelerated capital allowances	(190)	-	2,102	-
	<hr/>	<hr/>	<hr/>	<hr/>
	(190)	-	2,102	-
	<hr/>	<hr/>	<hr/>	<hr/>

**14 Called up share capital**

	Authorised		Allotted, called up and fully paid	
	1996 £	1995 £	1996 £	1995 £
Ordinary shares of £1.00 each	100,000	100,000	100	100
	<hr/>	<hr/>	<hr/>	<hr/>

**15 Reconciliation of movements on shareholders' funds**

	<b>1996</b>	<b>1995</b>
	<b>£</b>	<b>£</b>
Profit/(loss) for the year	24,596	(7,494)
Opening shareholders' funds	39,239	46,733
	<hr/>	<hr/>
Closing shareholders' funds	63,835	39,239
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**16 Cash flow statement**

The company has used the exemption under Financial Reporting Standard 1, "Cash Flow Statement", not to prepare a cash flow statement as the directors believe the company is a "small entity" as defined under sections 246 and 247 of the Companies Act 1985.

**17 Related party transactions**

During the year the company made sales (including recharges of costs and fixed asset disposal proceeds) of £41,547 to group companies and made purchases (including foreign exchange differences, research & development costs and management fees) of £374,696 from group companies.

**18 Ultimate parent company**

The company's ultimate parent company is Skalar Holding BV, a private limited company incorporated in Holland.