

REGISTRAR.

HIGHWAY ELECTRONICS LIMITED  
ABBREVIATED STATUTORY ACCOUNTS  
FOR THE YEAR ENDED 31ST AUGUST 1995

Company Number: 2529214 (Registered in England)



HIGHWAY ELECTRONICS LIMITED

The following reproduces the text of the report prepared for the purposes of section 249A(2) of the Companies Act 1985 in respect of the company's annual accounts, from which the abbreviated accounts set out on pages 3 to 6 have been prepared.

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS ON THE UNAUDITED ACCOUNTS OF  
HIGHWAY ELECTRONICS LIMITED

We have examined, without carrying out an audit, the accounts for the year ended 31st August 1995 set out on pages 3 to 9 .

**Respective responsibilities of directors and reporting accountants**

As described on page 4 the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to examine the accounts and, based on our examination, to report our opinion, as set out below, to the shareholders.

**Basis of opinion**

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board. This examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with Auditing Standards. Accordingly we do not express an audit opinion on the accounts. Therefore our examination does not provide any assurance that the accounting records and the accounts are free from material misstatement.

**Opinion**

In our opinion:

- (a) the accounts are in agreement with the accounting records kept by the company under section 221 of the Companies Act 1985;
- (b) having regard only to, and on the basis of, the information contained in those accounting records:
  - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and

(continued...)

HIGHWAY ELECTRONICS LIMITED

ACCOUNTANTS' REPORT TO THE SHAREHOLDERS OF HIGHWAY ELECTRONICS LIMITED

(continued)

- (ii) the company satisfied the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

Date: 26th June 1996

*Rupp & Fraser.*  
RUPP & FRASER  
CHARTERED ACCOUNTANTS  
14 DEVON SQUARE  
NEWTON ABBOT  
DEVON

# HIGHWAY ELECTRONICS LIMITED

## ABBREVIATED BALANCE SHEET AS AT 31ST AUGUST 1995

	Notes	£	1995 £	£	1994 £
<u>FIXED ASSETS</u>					
Tangible	(2)		32,122		33,221
<u>CURRENT ASSETS</u>					
Stocks		2,465		631	
Debtors		47,545		52,700	
Cash at bank and in hand		98		93	
		<u>50,108</u>		<u>53,424</u>	
<u>CREDITORS</u>					
Amounts falling due within one year		<u>57,769</u>		<u>55,837</u>	
<u>NET CURRENT (LIABILITIES)</u>			<u>(7,661)</u>		<u>(2,413)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			24,461		30,808
<u>CREDITORS</u>					
Amounts falling due after more than one year			(18,765)		(24,977)
<u>PROVISIONS FOR LIABILITIES AND CHARGES</u>					
Deferred Taxation			<u>(1,283)</u>		<u>(1,166)</u>
			<u>£ 4,413</u>		<u>£ 4,665</u>
<u>CAPITAL AND RESERVES</u>					
Called up share capital	(3)		2		2
Profit and Loss Account			4,411		4,663
SHAREHOLDERS' FUNDS			<u>£ 4,413</u>		<u>£ 4,665</u>

### Statement by the Directors

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provisions of section 249A (2) of the Companies Act 1985. No shareholders holding 10% or more in aggregate of the issued share capital have issued a notice requiring an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st August 1995 and of its loss for the year then ended in accordance with the requirements of the Act relating to the accounts so far as applicable to the company.


In preparing these abbreviated accounts the directors have taken advantage of special exemptions applicable to small companies under Schedule 8 Part 111 A of the Companies Act 1985, and have done so on the grounds that, in their opinion, the company qualifies as a small company and is entitled to make use of the special exemptions.

(continued on page 4)

HIGHWAY ELECTRONICS LIMITED

ABBREVIATED BALANCE SHEET AS AT 31ST AUGUST 1995 (Continued)

The directors have taken advantage, in the preparation of these accounts, of special exemptions applicable to small companies under Schedule 8 Part 1 of the Companies Act 1985 on the grounds that, in the opinion of the directors, the company qualifies as a small company and is entitled to make use of the special exemptions. The accounts were approved by the board on 26th June 1996 and signed on its behalf.

  
.....  
R.J. BUTLER

The notes on pages 5 and 6 form part of these accounts.

# HIGHWAY ELECTRONICS LIMITED

## NOTES TO THE ABBREVIATED ACCOUNTS FOR THE YEAR ENDED 31ST AUGUST 1995

### 1. ACCOUNTING POLICIES

#### (a) Accounting convention

The accounts are prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

The company has taken advantage of the exemption in Financial Reporting Standard No 1 from the requirement to produce a cashflow statement on the grounds that it is a small company.

#### (b) 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:

Leasehold improvements - over 5 years  
Plant and equipment - over 4 to 5 years  
Fixtures and fittings - over 5 to 10 years  
Motor vehicles - over 5 years

#### (c) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value.

Cost, based on bringing each product to its present location and condition, is calculated as the purchase cost on a first-in first-out basis.

Net realisable value is calculated as the estimated selling price less further costs expected to be incurred to completion and disposal.

#### (d) Leasing and Hire Purchase Commitments

Assets obtained under finance leases and hire purchase contracts are capitalised in the financial statements and depreciated in accordance with note 1(b) above.

The interest element of rental obligations is charged to the Profit and Loss Account over the period of the lease and represents a constant proportion of the balance of capital outstanding.

#### (e) Pensions

The company operates a defined contributions scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year and amounted to £790 (1994 £621).

#### (f) Support Contracts

The company operates annual support contracts for certain software products and the income from the contracts is taken to the Profit and Loss Account when invoiced and it is not spread over the life of the contract.

#### (g) Deferred Taxation

Provision is made for taxation deferred as a result of material timing differences between incidence of income and expenditure for taxation and accounts purposes, using the liability method, only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the near future.

HIGHWAY ELECTRONICS LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS  
FOR THE YEAR ENDED 31ST AUGUST 1995 - continued

2. TANGIBLE FIXED ASSETS

	<u>Total</u> <u>£</u>
<u>COST</u>	
At 1st September 1994	38,027
Additions	7,926
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At 31st August 1995	51,390
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<u>DEPRECIATION</u>	
At 1st September 1994	4,806
Charge for the year	9,025
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At 31st August 1995	14,918
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<u>NET BOOK VALUE</u>	

At 1st September 1994	£ 33,221
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At 31st August 1995	£ 32,122
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Included above are motor vehicles held under hire purchase contracts amounting to £13,289 (1994 £17,325).

3. SHARE CAPITAL

	<u>1995</u>	<u>1994</u>
Authorised		
Ordinary shares of £1 each	£ 1,000	£ 1,000
	<hr/>	<hr/>
Allotted, called up and fully paid		
Ordinary shares of £1 each	£ 2	£ 2
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