

REGISTRAR'S COPY

Exwold Technology Limited

Abbreviated accounts
Registered number 2735432
31 March 2000



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Quayside House
110 Quayside
Newcastle upon Tyne
NE1 3DX
United Kingdom

Report of the auditors to the members of Exwold Technology Limited
pursuant to Section 247B of the Companies Act 1985

We have examined the abbreviated accounts set out on page 2 to 7, together with the financial statements of Exwold Technology Limited prepared under section 226 of the Companies Act for the year ended 31 March 2000.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts 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 accounts prepared in accordance with sections 246(5) and (6) of the Act to the Registrar of Companies and whether the accounts 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 audited financial statements, that the company is entitled to the exemptions and that the abbreviated accounts have been properly prepared from those financial statements. 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 accounts prepared in accordance with sections 246(5) and (6) of the Companies Act 1985 and the abbreviated accounts have been properly prepared in accordance with those provisions.

KPMG
Chartered Accountants
Registered Auditors

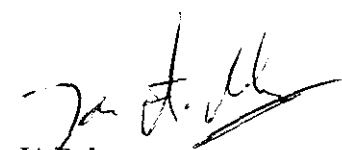
29 November 2000

Balance sheet
at 31 March 2000

	Note	£	2000 £	£	1999 £
Fixed assets					
Intangible assets	2		11,582		11,582
Tangible assets	3		970,813		1,056,563
			<u>982,395</u>		<u>1,068,145</u>
Current assets					
Stocks		18,476		10,266	
Debtors		438,256		269,187	
Cash at bank and in hand		-		23	
			<u>456,732</u>	<u>279,476</u>	
Creditors: amounts falling due within one year	4		<u>(789,678)</u>	<u>(615,576)</u>	
Net current liabilities			<u>(332,946)</u>		<u>(336,100)</u>
Total assets less current liabilities			<u>649,449</u>		<u>732,045</u>
Creditors: amounts falling due after more than one year	4		<u>(150,997)</u>		<u>(259,468)</u>
Provisions for liabilities and charges			<u>(29,176)</u>		<u>(46,672)</u>
Net assets			<u>469,276</u>		<u>425,905</u>
Capital and reserves					
Called up share capital	5		536,865		536,865
Share premium account			11,720		11,720
Profit and loss account			(79,309)		(122,680)
			<u>569,276</u>		<u>425,905</u>
Shareholders' funds					
Equity		(264,568)		(180,639)	
Non-equity		733,844		606,544	
			<u>469,276</u>		<u>425,905</u>

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements were approved by the board of directors on 29 November 2000 and were signed on its behalf by:


JA Robson
Director

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's accounts.

Basis of preparation

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

Under Financial Reporting Standard 1 the company is exempt from the requirement to prepare a cash flow statement on the grounds of its size.

Intangible fixed assets

Intangible fixed assets are capitalised at their cost. They are not depreciated as the residual value is considered to be at least equal to the cost.

Fixed assets and depreciation

Depreciation is provided to write off the cost less the estimated residual value of tangible fixed assets by equal instalments over their estimated useful economic lives as follows:

Leasehold property	-	Life of lease
Motor vehicles	-	25% per annum
Plant and machinery	-	5% - 25% per annum

Government grants

Capital based government grants are included within accruals and deferred income in the balance sheet and credited to operating profit over the estimated useful economic lives of the assets to which they relate. Grants of a revenue nature are credited to profit and loss account in the period to which they relate.

Leases

Assets acquired under finance leases and hire purchase contracts are capitalised and the outstanding future lease obligations are shown in creditors. Operating lease rentals are charged to the profit and loss account on a straight line basis over the period of the lease.

Post-retirement benefits

The company does not operate a pension scheme but provides payments to employees in respect of pension contributions. The amounts charged against profits represent the contribution payable in respect of the accounting period.

Stocks

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

Notes (continued)

1 Accounting policies (continued)

Taxation

The charge for taxation is based on the result for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Turnover

Turnover represents the amounts (excluding value added tax) derived from the provision of goods and services to customers.

2 Intangible fixed assets

	Operating licence £
Cost and net book value	
At beginning and end of year	11,582
	<u>11,582</u>

The intangible fixed asset represents the cost of obtaining authorisation under the Environmental Protection Act (part A) for the company's processes from HM Inspectorate of Pollution. In the opinion of the directors it should not be amortised as its residual value is at least equal to its cost.

3 Tangible fixed assets

	Total £
Cost	
At beginning of year	1,402,115
Additions	43,362
	<u>1,445,477</u>
At end of year	1,445,477
Depreciation	
At beginning of year	345,552
Charge for year	129,112
	<u>474,664</u>
At end of year	474,664
Net book value	
At 31 March 2000	970,813
	<u>970,813</u>
At 31 March 1999	1,056,563
	<u>1,056,563</u>

Notes (continued)

4 Creditors

Secured creditors comprise the following:

	2000 £	1999 £
<i>Due within one year</i>		
Bank loans and overdraft	129,475	61,643
Obligations under finance leases	49,927	56,770
	<hr/>	<hr/>
<i>Due after more than one year</i>		
Bank loans	75,000	102,999
Obligations under finance leases	17,058	66,986
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The bank loans and overdraft are secured by a fixed and floating charge over the assets of the company.

The finance lease obligations are secured on the assets to which they relate.

Amounts repayable in more than five years:

	2000 £	1999 £
Term loan	-	6,000
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5 Called up share capital

	2000 £	1999 £
<i>Authorised</i>		
Equity:		
A Ordinary shares of £1 each	65,000	65,000
B Ordinary shares of £1 each	35,000	35,000
C Ordinary shares of 50p each	28,865	28,865
Non-equity:		
B Preference shares of £1 each	165,000	165,000
C Preference shares of £1 each	250,000	250,000
	<hr/>	<hr/>
	543,865	543,865
	<hr/>	<hr/>

	2000 £	1999 £
<i>Allotted, called up and fully paid</i>		
Equity:		
58,000 A Ordinary shares of £1 each	58,000	58,000
35,000 B Ordinary shares of £1 each	35,000	35,000
57,730 C Ordinary shares of 50p each	28,865	28,865
Non-equity:		
165,000 B Preference shares of £1 each	165,000	165,000
250,000 C Preference shares of £1 each	250,000	250,000
	<hr/>	<hr/>
	536,865	536,865
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Notes (continued)

5 Called up share capital (continued)

The rights attaching to the shares in issue are as follows:

Dividends

The 'A' Ordinary shares do not have any rights to dividends other than for dividends voted by the directors.

The 'B' Ordinary shares have cumulative rights to a dividend of 10% of post-tax profits in respect of each financial year beginning with the financial year ended 31 March 1994 (subject to there being profits available for distribution).

The 'C' Ordinary shares have cumulative rights to dividends (subject to there being profits available for distribution) of 10% of post-tax profits from the year ended 31 March 1999 rising to 20% of post-tax profits from the year ending 31 March 2003.

The 'B' Preference shares have cumulative rights to a fixed dividend of 12% of subscription price payable in respect of each financial year commencing after 31 March 1994.

The 'C' Preference shares have cumulative rights to a fixed dividend of 10% of subscription price payable in respect of each financial year commencing after 31 March 1998.

Redemption

The 'A' Ordinary and 'C' Ordinary shares are not redeemable.

The 'B' Ordinary shares are to be redeemed at the time of a stock exchange listing or on the sale of the equity shares at a premium primarily based on the value of the subscription price.

The redemption dates of the 'B' Preference shares were rescheduled during 1998 so as to be redeemed at a premium of 50 pence per share in instalments commencing 31 March 1998 and ending on 31 March 2000. No shares have been redeemed to date.

The 'C' Preference shares are scheduled to be redeemed at par in two equal annual instalments from 31 March 2001 or at the time of a stock exchange listing or on the sale of the equity shares which would be sufficient to pass control of the company to the purchaser, if earlier.

Winding up

On winding up, the assets of the company available for distribution among the members of the company shall be applied in the following order:

- 1 In paying to the holders of the 'B' Preference shares the redemption price per share together with any arrears or accruals of dividends thereon.
- 2 In paying to the holders of the 'C' Preference shares the redemption price per share together with any arrears or accruals of dividends thereon.
- 3 In paying to the holders of the 'B' Ordinary shares the subscription price per share together with any arrears of dividends.
- 4 In paying to the holders of the 'C' Ordinary shares the subscription price per share together with any arrears of dividends.
- 5 In paying to the holders of the 'A' Ordinary shares the amount paid up.
- 6 Any surplus assets of the company shall be distributed amongst the holders of the 'A' Ordinary shares, 'B' Ordinary shares and 'C' Ordinary shares in proportion to the number of shares held by them respectively.

Notes *(continued)*

5 Share capital *(continued)*

Voting rights

- 1 Each holder of equity shares ('A' Ordinary, 'B' Ordinary and 'C' Ordinary) shall be entitled to vote at all general meetings of the company and shall have, on a poll, one vote for each equity share (of whatever class) of which he is the holder.
- 2 Each holder of the 'B' Preference shares and 'C' Preference shares has no right to vote unless the company has failed or been unable to redeem the relevant proportion of the 'B' Preference shares and 'C' Preference shares not previously redeemed on the relevant dates, and has not since such date effected such redemption, in which event each 'B' Preference shareholder and 'C' Preference shareholder shall have, on a poll, one vote for each 'B' Preference share and each 'C' Preference share of which he is the holder.