

INGETEC LIMITED

FINANCIAL STATEMENTS

31 MARCH 1999



INGETEC LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1999

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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INGETEC LIMITED

COMPANY INFORMATION

31 MARCH 1999

Incorporated in England on 30 March 1993

Number 2804879

CHAIRMAN

P Noguerra

OTHER DIRECTORS

C Haupaix
R Rovira
R Noguerra (Mr)
R Noguerra (Mrs)

SECRETARY

C Haupaix

REGISTERED OFFICE

Malcolm House
Empire Way
Wembley
HA9 0LN

BANKERS

Barclays Bank plc
Lyonnaise de Banque

AUDITORS

Adams Moorhouse
Chartered Accountants
Malcolm House
Empire Way
Wembley
HA9 0LN

INGETEC LIMITEDDIRECTORS' REPORT31 MARCH 1999

The directors present their annual report with the audited financial statements for the year ended 31 March 1999.

Principal activity

The principal activity of the company in the year under review was that of Consultant Engineers.

Business review

The results for the year and the financial position of the company is as shown in the annexed financial statements. The board considers the state of affairs to be satisfactory.

The board does not recommend the payment of any dividends. Movement on reserves is shown in note 11 to the financial statements.

Fixed assets

Changes in fixed assets during the year are set out in note 6 to the accounts.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows

	31 March 1999 Ordinary Shares	1 April 1998 Ordinary shares
P Noguerra	500	500
C Haupaix	500	500
R Rovira (appointed 1.4.98)	-	-

Post balance sheet events

There have been no events since the balance sheet date which materially affect the position of the company.

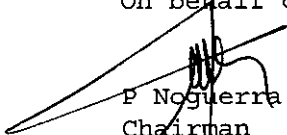
Future developments

Work is continuing on the development and modification of existing services to meet customers requirements and, through a continuing programme of research and development, to take advantage of new technology as it becomes available.

Auditors

The auditors, Adams Moorhouse have expressed their willingness to continue in office and in accordance with Section 385 of the Companies Act 1985, a resolution to re-appoint them will be presented to the company at the annual general meeting.

On behalf of the board


P Noguerra
Chairman
29 December 1999

INGETEC LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year, and of the profit or loss for that year.

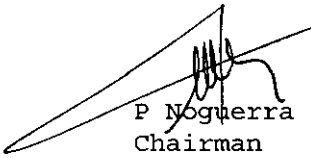
In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
- follow applicable accounting standards.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud and other irregularities.

On behalf of the board



P Noguerra
Chairman

29 December 1999

INGETEC LIMITEDAUDITORS' REPORT TO THE MEMBERS OF INGETEC LIMITED

We have audited the financial statements on pages 5 to 13 which have been prepared under the historic cost convention and the accounting policies set out on page 8.

Respective responsibilities of directors and auditors

As described on page 3, the company's directors are responsible for the preparation of 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 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.

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 error or other irregularity. 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 March 1999 and of its profit and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Malcolm House
Empire Way
Wembley
Middlesex
HA9 0LN



Adams Moorhouse
Chartered Accountants
Registered Auditors

29 December 1999

INGETEC LIMITEDPROFIT AND LOSS ACCOUNTFOR THE YEAR ENDED 31 MARCH 1999

	Note	1999 £	1998 £
Turnover		1,602,001	1,336,776
Cost of sales		(1,305,556)	(940,706)
Gross profit		296,445	396,070
Net operating expenses			
Distribution costs		-	(45)
Administrative expenses		(247,991)	(223,626)
Other operating income		9,951	3,491
Operating profit	2	58,405	175,890
Interest payable	4	-	(13)
Profit on ordinary activities before taxation		58,405	175,877
Taxation	5	(15,452)	(40,078)
Retained profit for the year	11	£ 42,953	£ 135,799

Movements in reserves are shown in note 11.

Total recognised gains and losses

There are no recognised gains and losses in 1999 or 1998 other than the profit for the year.

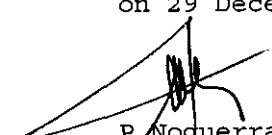
Continuing operations

None of the company's activities were acquired or discontinued during the above two financial periods.

INGETEC LIMITEDBALANCE SHEETAT 31 MARCH 1999

		1999		1998	
	Note	£	£	£	£
Fixed assets					
Tangible assets	6		3,122		3,673
Current assets					
Debtors	7	266,810		270,666	
Cash at bank and in hand		214,577		325,401	
		<u>481,387</u>		<u>596,067</u>	
Creditors: amounts falling due within one year	8	(258,229)		(416,414)	
Net current assets			<u>223,158</u>		<u>179,653</u>
Total assets less current liabilities			<u>226,280</u>		<u>183,326</u>
Capital and reserves					
Called up share capital	10		1,000		1,000
Profit and loss account	11		225,280		182,326
			<u>226,280</u>		<u>183,326</u>

The financial statements on pages 5 to 13 were approved by the board of directors on 29 December 1999



P. Noguerra
Chairman

The notes on pages 8 to 13 form part of these financial statements.

INGETEC LIMITEDCASH FLOW STATEMENTFOR THE YEAR ENDED 31 MARCH 1999

	1999		1998	
	£	£	£	£
Net cash (outflow)/inflow from operating activities		(66,751)		200,523
Returns on investments and servicing of finance				
Interest paid	-		(13)	
Net cash outflow from returns on investments and servicing of finance		-		(13)
Taxation				
Corporation tax paid (including ACT)	(44,074)		(2,084)	
Tax paid		(44,074)		(2,084)
Investing activities				
Payments to acquire:				
Tangible fixed assets	-		(1,406)	
Net cash outflow from investing activities		-		(1,406)
Net cash (outflow)/inflow before financing		(110,825)		197,020
Financing		-		-
(Decrease)/increase in cash and cash equivalents		(110,825)		197,020

See Note 12 for the notes to this statement.

INGETEC LIMITEDNOTES TO THE FINANCIAL STATEMENTS31 MARCH 1999**1 Accounting policies****Basis of accounting**

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

Turnover

Turnover is the amount derived from the provision of goods and services falling within the company's ordinary activities after deduction of trade discounts and value added tax. The entire turnover relates to exports.

Depreciation

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

Plant and machinery	15% on written down value
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Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date. All differences are taken to the profit and loss account.

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.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

2 Operating profit

	1999 £	1998 £
Operating profit is stated after crediting		
Bank deposit interest	9,951	3,491
	<hr/>	<hr/>
and after charging:		
Auditors' remuneration	6,250	5,150
Loss on foreign exchange	4,036	32,719
	<hr/>	<hr/>
Depreciation of tangible fixed assets (note 6)		
Depreciation owned assets	551	648
	<hr/>	<hr/>

INGETEC LIMITEDNOTES TO THE FINANCIAL STATEMENTS31 MARCH 1999**3 Directors and employees**

	1999 £	1998 £
Staff costs including directors' emoluments		
Wages and salaries	1,133,181	869,323
Social security costs	15,378	8,653
	<u>1,148,559</u>	<u>877,976</u>
	Number	Number
Average number employed including executive directors		
Office and management	2	2
Production staff	9	8
	<u>11</u>	<u>10</u>
Directors	£	£
Directors' emoluments consist of		
Directors' remuneration	72,960	72,960
	<u>72,960</u>	<u>72,960</u>
Emoluments excluding pension scheme contributions		
Chairman	34,200	34,200
Highest paid director	38,760	38,760
	<u></u>	<u></u>

4 Interest payable

	1999 £	1998 £
Bank interest	-	13
	<u></u>	<u></u>

INGETEC LIMITEDNOTES TO THE FINANCIAL STATEMENTS31 MARCH 1999**5 Taxation**

	1999 £	1998 £
Corporation tax on profit on ordinary activities at 21% (1998 21%)	15,452	40,078

6. Tangible fixed assets

COST OR VALUATION	Motor Vehicles £	Plant and Equipment £	Fixtures and Fittings £	TOTAL £
At 1 April 1998	-	5,441	-	5,441
At 31 March 1999	-	5,441	-	5,441
DEPRECIATION				
At 1 April 1998	-	1,768	-	1,768
Charge for the year	-	551	-	551
At 31 March 1999	-	2,319	-	2,319
NET BOOK VALUE				
At 31 March 1999	-	3,122	-	3,122
At 31 March 1998	-	3,673	-	3,673

7 Debtors

	1999 £	1998 £
Amounts falling due within one year		
Trade debtors	253,902	270,628
Other debtors	12,908	38
	266,810	270,666

INGETEC LIMITEDNOTES TO THE FINANCIAL STATEMENTS31 MARCH 1999**8 Creditors:** amounts falling due within one year

	1999 £	1998 £
Trade creditors	189,298	110,617
Corporation tax	15,807	44,429
Other taxation and social security	3,082	1,246
Other creditors	11,055	245,668
Accruals and deferred income	38,987	14,454
	<u>258,229</u>	<u>416,414</u>

9 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit for the financial year representing a Net addition to shareholders' funds	42,953	135,799
Opening shareholders' funds	<u>183,326</u>	<u>47,527</u>
Closing shareholders' funds	<u>226,279</u>	<u>183,326</u>

10 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised Equity interests				
Ordinary £1 shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid Equity interests				
Ordinary £1 shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>

INGETEC LIMITEDNOTES TO THE FINANCIAL STATEMENTS31 MARCH 1999

11 Profit and loss account

	1999 £	1998 £
At start of year	182,326	46,527
Retained profit for the year	42,953	135,799
At end of year	<u>225,279</u>	<u>182,326</u>

12 Notes to the cash flow statement

Reconciliation of operating profit to
net cash (outflow)/inflow from operating activities

	1999 £	1998 £
Operating profit	58,405	175,890
Depreciation charges	551	648
Decrease/(increase) in debtors	3,856	(91,009)
(Decrease)/increase in creditors	(129,563)	114,994
Net cash (outflow)/inflow from operating activities	<u>(66,751)</u>	<u>200,523</u>
Analysis of changes in cash and cash equivalents as shown in the balance sheet		
Balance at 1 April 1998	325,401	128,381
Net cash (outflow)/inflow	(110,824)	197,020
Balance at 31 March 1999	<u>214,577</u>	<u>325,401</u>

Analysis of the balances of cash and cash
equivalents as shown in the balance sheet

	1999 £	1998 £	Change in year £
Cash at bank and in hand	<u>214,577</u>	<u>325,401</u>	<u>(110,824)</u>

Analysis of changes in financing during the year

There were no changes in financing during the year.