Company Number : 2943771

FIBRECO LIMITED

STATEMENT OF ACCOUNTS

FOR THE YEAR ENDED 30 SEPTEMBER1998

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COMPANIES HOUSE 25/01/99

FIBRECO LIMITED
Directors:
J.B. Daisley
Mrs W. Daisley

Secretary and Registered Office:
P.G. Mansell
High Street
Great Dunmow
Essex. CM6 1AH

REPORT OF THE DIRECTORS

The directors present their report and the financial statements for the year ended 30 September 1998.

Review of Activities
The principal activity of the company is the manufacture of fibre optic products. The company, on a turnover which, on an annual basis, has increased by 32.5%, made an operating profit of £54,446 (1997- £46,047).

Results and Dividends
The profit for the year ended 30 September 1998 amounted to £42,138 (1997 - £33,903) which has been transferred to the profit and loss account reserve. Interim dividends of £35,600 have been paid. No further dividends are recommended by the directors.

Fixed Assets
Details of the fixed assets of the company are given in note 6 to the accounts.

Directors' Interest
The interest, as defined by the Companies Act 1985, of the directors in the share capital of the company at the beginning and end of the year were as follows :

	Holding of ordinary shares	
	30.09.98	30.9.97
J.B. Daisley	10,000	10,000
Mrs W. Daisley	10,000	10,000

Auditors
In accordance with Section 385 of the Companies Act 1985 a resolution proposing the re-appointment of Mansell & Co as auditors to the company will be put to the Annual General Meeting

By Order of the Board

14 January 1999

P.G.Mansell
Secretary

FIBRECO LIMITED

STATEMENT OF 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 the company and of the profit or loss of the company for that year. In preparing those financial statements, the directors are required to:-

- Select suitable accounting policies and then apply them consistently.
- Make judgements and estimates that are reasonable and prudent.
- 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' REPORT TO THE SHAREHOLDERS OF
FIBRECO LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

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 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 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 30th September 1998 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985 applicable to small companies.

Mansell & Co

Mansell & Co
Wilton House
16b Hockerill Street
Bishop's Stortford
Herts
CM23 2DW

Registered Auditors

FIBRECO LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER1998

	Notes	1998	1997 £
Turnover	1b	521,712	491,519
Cost of sales		(315,998)	(297,212)
Gross Profit		205,714	194,307
Net Operating Expenses			
Administrative expenses		(151,268)	(148,260)
Operating profit		54,446	46,047
Interest payable & similar charges	3	(906)	(1,594)
Profit on ordinary activities before taxation		53,540	44,453
Tax on ordinary activities	1e	(11,402)	(10,550)
Profit after taxation		42,138	33,903
Dividends paid	4	(35,600)	(33,400)
Profit for the financial period		£6,538	£503

Summary of Accumulated Profits

Balance at 1 October 1997	32,968	47,465
Issue of shares	-	(15,000)
Profit for the financial period	6,538	503
Balance at 30 September 1998	£39,506	£32,968

Continuing Operations

None of the company's activities were acquired or discontinued during the current period.

Total Recognised Gains and Losses

The company has no recognised gains or losses other than the profit for the current period.

The notes on pages 6 to 8 form part of these accounts.

FIBRECO LIMITED

BALANCE SHEET AT 30 SEPTEMBER 1998

	Notes	1998 £	1998 £	1997 £	1997 £
Fixed Assets					
Tangible Assets	6		30,978		29,637
Current Assets					
Stock and work in progress	7	50,709		55,438	
Debtors	8	101,463		76,790	
Cash at bank and in hand		545		338	
		152,717		132,566	
Creditors, amounts falling due within one year	9	(119,338)		(109,235)	
Net current assets			33,379		23,331
Total assets less current liabilities			£64,357		£52,968
Creditors-amounts falling due after more than one year	9		£4,851		—
Shareholders' funds			59,506		£52,968
Capital Reserves					
Share capital	10		20,000		20,000
Profit and loss account			39,506		32,968
			£59,506		52,968

The notes on pages 6 to 8 form part of these accounts.

These financial statements were approved by the Board and signed on 14 January 1999 its behalf by

J.B. .....

J.B. Daisley

FIBRECO (U.K.) LIMITED

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1998

1. Principal Accounting Policies

a) ***Basis of Accounting***

The financial statements have been prepared under the historical cost convention.

b) ***Turnover***

Turnover represents income charged to customers net of value added tax.

c) ***Depreciation***

Depreciation has been provided, using the reducing balance method, in order to write off the cost of the fixed assets over their expected useful lives as follows:-

Office equipment	- 25% p.a. on the reducing balance basis
Plant and machinery	- 25% p.a. on the reducing balance basis
Vehicle	- 25% p.a. on the reducing balance basis
Leasehold improvements	- over the period of the lease

c) ***Deferred taxation***

No provision has been made for deferred taxation that may arise due to the plant, fixtures and equipment shown in the Balance Sheet at 30 September 1998 at £29,690 and having a written down value of £28,004 for taxation purposes.

d) ***Taxation***

The U.K. Corporation Tax for the period ended 30 September 1998 amounts to £11,402 (1997 - £10,550). This is calculated on the profit shown, adjusted as required for taxation purposes using the appropriate rates for the year.

f) ***Research and development costs***

Research and development costs are written off as incurred.

2. Turnover

	1998	1997
Sales	£521,712	£491,519

Geographical market:	1998	1997
United Kingdom	£304,325	£325,249
Overseas	£217,387	£166,270
	£521,712	£491,519

3. Interest payable

	1998	1997
On other loans repayable within five years, not by instalments	£906	£1,594

4. Dividends

	1998	1997
Interim dividends	35,600	33,400

FIBRECO LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE
YEAR ENDED 30 SEPTEMBER 1998
(Continued)

5. Directors' and employees' emoluments

	1998	1997
Staff costs during the year were as follows:-		
Wages and salaries	60,404	42,119
Social security costs	5,618	3,792
Pension contributions	23,200	9,000
	£89,222	£54,911

The average number of persons employed by the company during the period was 5 (1997 - 3).

Pension provision is provided for selected employees under a defined contributors scheme.

6. Tangible Fixed Assets

	Plant and Machinery	Leasehold improvements	Vehicle	Furniture Fixtures and Equipment	Total
Cost					
Balance, 1.10.97	24,364	1,656	-	19,309	45,329
Acquired in period	495		9,995	749	11,239
Write off				(100)	(100)
Balance 30.09.98	£24,859	£1,656	£9,995	£19,958	£56,468
Depreciation					
Balance,1.10.97	9,594	184		5,914	15,692
Charge for period	3,816	184	2,499	3,349	9,848
Write off	-	-		(50)	(50)
Balance 30.9.98	£13,410	£368	£2,499	£9,213	£25,490
Net Book Value					
At 30.9.98	£11,449	£1,288	£7,496	£10,745	£30,978
At 30.9.97	£14,770	£1,472		£13,395	£29,637

7. Stock

	1998	1997
Finished products	13,715	14,888
Component parts	34,918	36,127
	48,633	51,015
Sales promotion material	2,076	4,423
	£50,709	£55,438

FIBRECO LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 SEPTEMBER 1998

(Continued)

8. Debtors

	1998	1997
Trade debtors	95,009	70,558
Other debtors	6,454	6,232
	£101,463	£76,790

9. Creditors

Amounts falling due within one year

	1998	1997
Trade creditors	71,315	71,512
Other loans	-	11,600
Corporation Tax	7002	4,700
Social security & other taxation costs	3331	961
Directors' loan account	33000	18,936
Proposed dividend	-	-
Accruals	1690	1,526
Other creditors	3000	-
	119,338	£109,235

Amounts falling due after more than one year

Other creditors	£4851	-

All amounts are due for payment within five years.

10. Share Capital

Authorised :	1998	1997
50,000 ordinary shares of £1 each	£50,000	£50,000
Issued and fully paid		
20,000 ordinary shares of £1 each	£20,000	£20,000

11. Reconciliation of Movements in Shareholders' Funds

Shareholders' funds at 1 October 1997	32,968	47,465
Profit for the period, after taxation	42,138	33,903
	75,106	81,368
Less : Dividends paid	(35,600)	(33,400)
Shares issued as fully paid		(15,000)
Shareholders' funds at 30 September 1998	£39,506	£32,968