

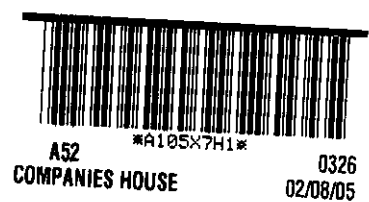
Genristo Limited

Abbreviated Financial Statements

Year Ended

30 April 2004

Company number:248245



GENRISTO LIMITED

Abbreviated financial statements for the year ended 30 April 2004

Contents

Page:

1	Chairman's Statement
2	Report of the Auditor
4	Balance sheet
5	Notes forming part of the financial statements

Directors

E Keetley
K Keetley
A J Keetley

Secretary and registered office

Willoughby Corporate Limited Secretarial
Unit 43/45
Evelyn Street
Beeston
Nottingham
NG9 2EU

Company number

248245

Auditor

Tenon Audit Limited
Charnwood House
Gregory Boulevard
Nottingham
NG7 6NX

Bankers

HSBC Bank Plc
12 Victoria Street
Nottingham
NG1 2FF

GENRISTO LIMITED

Chairman's Statement

The company disposed of its freehold property in March 2005 for a consideration of £495,000 and has subsequently moved to smaller leased premises which are more suitable for its current level of operations and future growth plans.

Completion of the sale has enabled the company to repay its bank borrowings, settle outstanding creditors and has provided it with a firm financial footing on which to move forward in the future.

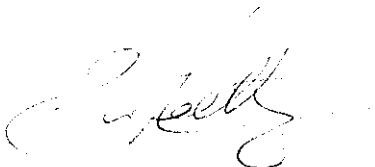
The freehold property had a net book value based on historical cost of £120,673 at 30 April 2004 and therefore a significant profit has been achieved. The property was professionally revalued during the year at a valuation of £320,000. The difference between the existing net book value and the revalued amount was credited to the revaluation reserve and has had a significant impact upon the net assets of the company, which have increased from £141,148 at 30 April 2003 to £182,884 at 30 April 2004.

The results for the year are disappointing and reflect difficult trading conditions in the market place. In addition, the company has incurred exceptional costs of £80,000. During this year the directors looked at a number of measures by which to enhance the level of activity and profitability and this review has continued into subsequent accounting periods.

The current financial year has seen an upturn in the demand for the company's products and the directors are optimistic for its long-term future prospects.

During the year ended 30 April 2004, the company made a contribution of £70,300 to an Employee Share Ownership Plan, which was set up for the benefit of the company's employees. The contribution was used to acquire shares in the company. In accordance with recognised accounting practice the consideration paid for the purchase of these shares was taken to an "own shares held" reserve in the balance sheet.

E Keetley
Director



Tenon audit

GENRISTO LIMITED

Auditor's report

Auditor's report to Genristo Limited under section 247b of the Companies Act 1985

We have examined the abbreviated financial statements set out on pages 4 to 8, together with the financial statements of the company for the year ended 30 April 2004 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditor

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Act to the Registrar of Companies and whether the financial statements 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 consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 financial statements prepared in accordance with Sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 4 to 8 are properly prepared in accordance with those provisions.

Today we reported as auditors to the shareholders of the company on the financial statements prepared under section 226 of the Companies Act 1985 and our audit report included the following paragraphs.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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. However, the evidence available to us was limited because the company did not carry out a stocktake at 30 April 2004 to confirm the physical quantities of stock and work in progress held at that date. There were no other satisfactory audit procedures that we could adopt to confirm that stock and work in progress with a value of £125,590 were completely and accurately recorded.

Tenon audit

GENRISTO LIMITED

Auditor's report (*continued*)

Going Concern – Fundamental Uncertainty

In forming our opinion, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the uncertainty as to the future profitability and funding of the

company. If further losses are incurred in the future the company would be dependent on the continued financial support of its bankers and creditors.

The financial statements have been prepared on the assumption that the company will continue as a going concern. We consider that, in view of the issues referred to in note 1, there are still doubts as to the appropriateness of that basis. However, our opinion is not qualified in this respect.

Qualified opinion arising from limitation in audit scope

Except for any adjustments which might have been found necessary had we been able to obtain sufficient evidence concerning existence of stocks held at the balance sheet date, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 30 April 2004 and of its loss for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

In respect alone of the limitation of our work relating to the existence of stock at the balance sheet date:

- We have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- We were unable to determine whether proper accounting records had been maintained.

Tenon Audit Limited

Tenon Audit Limited
Registered Auditor
Nottingham

27 July 2005

GENRISTO LIMITED

Balance sheet at 30 April 2004

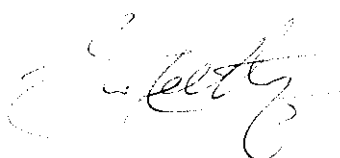
	Note	2004 £	£	2003 £	£
Fixed assets					
Tangible assets	2		327,774		131,619
Investments	3		1		-
			<u>327,775</u>		<u>131,619</u>
Current assets					
Stocks		125,590		163,721	
Debtors		108,855		146,288	
Investments		-		53,162	
Cash at bank and in hand		193		2,595	
		<u>234,638</u>		<u>365,766</u>	
Creditors: amounts falling due within one year	4	(299,569)		(356,237)	
Net current (liabilities)/assets			(64,931)		9,529
Total assets less current liabilities			<u>262,884</u>		<u>141,148</u>
Provisions for liabilities and charges			(80,000)		-
Net assets			<u>182,844</u>		<u>141,148</u>
Capital and reserves					
Called-up share capital	5		16,789		16,789
Revaluation reserve			199,127		-
Own share held reserve			(70,300)		-
Profit and loss account			37,228		124,359
Shareholders' funds			<u>182,844</u>		<u>141,148</u>

Included within shareholders' funds is an amount of £2,789 (2002: £2,789) in respect of non-equity interests.

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

The financial statements were approved by the Board on 21 July 2005.

E Keetley
Director



The notes on pages 5 to 8 form part of these financial statements.
GENRISTO LIMITED

**Notes forming part of the abbreviated financial statements for the year ended 30 April 2004
(continued)**

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention modified by the inclusion of freehold land and buildings at valuation and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Going Concern

The accounts have been prepared on the assumption that the company is a going concern.

During the year ended 30 April 2004 the company sustained a loss after taxation and dividends of £87,131 and, as a consequence, net current assets decreased from £9,529 to a net current liabilities position of £64,931 over the same period. During the period since the balance sheet date the company has incurred further trading losses.

In the absence of other funding the company was at the balance sheet date dependent upon the continued support of its banks and creditors.

The company disposed of its freehold property in March 2005 for a consideration of £495,000 which represented a substantial profit on book value. Completion of the sale has enabled the company to repay its bank borrowings and the directors believe that it has provided it with a firm financial footing on which to move forward into the future.

The preparation of the accounts on the going concern basis has been undertaken on the assumption by the directors that the company will achieve profitable results in the current and future trading periods. Inherently, there can be no certainty in relation to a return to profitability or continued financial support from the company's bankers and creditors if this was not achieved. The financial statements do not contain any adjustments that would result from a future withdrawal of support from either bankers or creditors. If such support were to be withdrawn the company would have to cease trading, assets would need to be restated at break up values, and additional liabilities would need to be taken into account.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (Revised 1996) from including a cash flow statement in the financial statements on the grounds that the company is small.

Turnover

Turnover represents sales to outside customers at invoiced amounts less value added tax, adjusted for movements in work in progress.

GENRISTO LIMITED

**Notes forming part of the abbreviated financial statements for the year ended 30 April 2004
(continued)**

1 Accounting policies (continued)

Tangible fixed assets

Freehold land and buildings were included in the previous year's financial statements at depreciated historical cost. At 30 April 2004 the property is stated at valuation based on a professional valuation undertaken during the year. The difference between the revalued amount and the depreciated historical cost has been credited to a revaluation reserve.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset over the useful economic life of that asset as follows:

Freehold buildings	- 10% per annum straight line on older buildings
	- 2% per annum straight line on newer buildings
Plant, machinery and computers	- 25% per annum on reducing balance
Fixtures & fittings	- 15 % per annum on reducing balance

No depreciation is charged on freehold land.

Fixed asset investments

Fixed asset investments are held at cost, less any provision for impairment in value.

Stocks

Stocks are valued at the lower of cost, and net realisable value. Cost is calculated as follows:

Raw materials	- cost of purchase on a first in, first out basis.
Work in progress and finished goods	- cost of raw materials purchased, adjusted to include a proportion of labour depending on the state of completion.

Net realisable value is based on estimated selling price less additional costs to completion and disposal.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the profit and loss account.

GENRISTO LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 April 2004
(continued)

1 Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more or a right to pay less tax in the future have occurred by the balance sheet date with certain limited exceptions.

Deferred tax is calculated on an undiscounted basis at the tax rates that are expected to apply in the periods in which the timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Employee share ownership plans

Where a subsidiary company acquires shares in the company in its capacity as the trustee of the company's employee share ownership plan, the consideration paid for the purchase of these shares is taken to an "Own shares held reserve" in accordance with the terms of UITF Abstract 38 "Employee Share Ownership Plans".

Post retirement benefits

Certain contractual arrangements exist under the terms of which former directors are entitled to receive annuities following their retirement in respect of past services. Full provision is made for the present value of the expected liability in respect of their annuities. Subsequent changes in the amount of the liability arising from changes in financial estimates are recorded in the profit and loss account in the period in which they occur.

2 Tangible fixed assets

	Total £
<i>Cost or valuation</i>	
At 1 May 2003	429,478
Additions	3,198
Revaluation	84,376
At 30 April 2004	517,052
<i>Depreciation</i>	
At 1 May 2003	297,859
Provided for the year	6,170
Revaluation	(114,751)
At 30 April 2004	189,278
<i>Net book value</i>	
At 30 April 2004	327,774
At 30 April 2003	161,169

GENRISTO LIMITED

Notes forming part of the abbreviated financial statements for the year ended 30 April 2004
(continued)

3 Creditors: amounts falling due within one year

Bank borrowings of £191,927 (2003:£264,623) are secured.

4 Share capital

	Authorised		Allotted, called up and fully paid	
	2004	2003	2004	2003
	£	£	£	£
Equity: Ordinary shares of £1 each	17,000	17,000	14,000	14,000
Non equity: 5% cumulative preference shares of £1 each	3,000	3,000	2,789	2,789
	<u>20,000</u>	<u>20,000</u>	<u>16,789</u>	<u>16,789</u>

5. Related party transactions

- (a) During the year the company received income of £79,705 from the Genristo Limited Pension Scheme as a distribution of net assets upon the winding up of the scheme.

The above scheme was set up for the benefit of the company's employees.

- (b) Following the winding up of the above scheme an Employee Share Ownership Plan (ESOP) was set up for the benefit of the company's employees. During the year the ESOP acquired certain shares in the company. The shares were acquired for £70,300 which was deemed to be the market value of these shares at the time of transfer. The company made a contribution of £70,300 to the ESOP to fund the purchase of the shares which are held in the name of Genristo Trustees Limited.