

CARNHILL TRANSFORMERS LIMITED

**ABBREVIATED STATUTORY ACCOUNTS
FOR THE YEAR ENDED 31ST DECEMBER, 1998**

Company number: 1881904 (England and Wales)

Chapman, Robinson & Moore
Registered Auditors
Accountants
30 Bankside Court
Stationfields
Kidlington
Oxford
OX5 1JE



CARNHILL TRANSFORMERS LIMITED

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AUDITORS' REPORT TO CARNHILL TRANSFORMERS LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 2 to 6 together with the financial statements of Carnhill Transformers Limited prepared under section 226 of the Companies Act 1985 for the year ended 31st December, 1998.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246 to 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 the sections 246(5) and 246(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

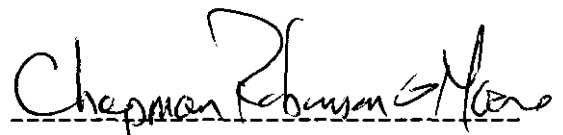
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts to be delivered have been properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with sections 246(5) and 246(6) of the Companies Act 1985, and the abbreviated accounts on pages 2 to 6 are properly prepared in accordance with those provisions.

26th April, 1999

30 Bankside Court
Stationfields
Kidlington
Oxford
OX5 1JE



CHAPMAN, ROBINSON & MOORE
REGISTERED AUDITORS
ACCOUNTANTS

CARNHILL TRANSFORMERS LIMITED

BALANCE SHEET AS AT 31ST DECEMBER, 1998

	Notes	1998	1997
Fixed Assets	2	228,035	271,552
Current Assets			
Stock and Work in Progress		206,762	203,843
Debtors		389,047	479,471
Cash at Bank and in Hand		31,357	5,019
		-----	-----
		627,166	688,333
		-----	-----
Creditors: (amounts due within one year)	3	(238,816)	(419,202)
		-----	-----
Net Current Assets		388,350	269,131
		-----	-----
Total Assets less Current Liabilities		616,385	540,683
Creditors: (amounts due after one year)	4	(23,219)	(34,529)
Provisions for liabilities and charges		(7,692)	(7,463)
		-----	-----
		£ 585,474	£ 498,691
		=====	=====
Capital and Reserves			
Called up Share Capital	5	100	100
Profit and Loss Account		585,374	498,591
		-----	-----
Equity shareholders' funds		£ 585,474	£ 498,691
		=====	=====

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

Approved by the board of directors on 26th April, 1999 and signed on its behalf.

J. Hall - Director

CARNHILL TRANSFORMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 1998

1. Accounting Policies

1.1 Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and incorporate the results of the principal activity which is described in the directors report and which is continuing.

The company has taken advantage of the exemption under FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost *or valuation* of fixed assets, less their estimated residual value, over their expected lives on the following bases:

Office Equipment	- 20% pa reducing balance
Motor Vehicles	- 25% pa reducing balance
Leasehold Property	- 4% pa straight line
Plant and equipment	- 20% pa reducing balance

1.4 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

1.5 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 director, there is a reasonable probability that a liability or asset will crystallise in the near future.

1.6 Leasing and hire purchase

Assets obtained under hire purchase contracts are capitalised as tangible fixed assets and depreciated over their estimated useful lives.

CARNHILL TRANSFORMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 1998

(Continued)

1.7 Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the profit and loss account as incurred.

1.8 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rate of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

1.9 Pensions

The company operates a defined contribution pension scheme and the scheme charge represents the amounts payable by the company to the fund in respect of the year.

CARNHILL TRANSFORMERS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST DECEMBER, 1998
(Continued)

2. Tangible Assets

	Total
Cost	-----
As at 1st January, 1998	500,569
Additions	8,510
Disposals	-

As at 31st December, 1998	509,079

Depreciation	
As at 1st January, 1998	229,017
Charge for the Year	52,027
Eliminated in respect of disposals	-

As at 31st December, 1998	281,044

Net Book Value	
As at 31st December, 1998	£ 228,035 =====
As at 31st December, 1997	£ 271,552 =====

3. Creditors: amounts falling due within one year

of the creditors £18,508 is secured.

4. Creditors: amounts falling due after more than one year

of the creditors £ 6,731 is secured.

CARNHILL TRANSFORMERS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31ST DECEMBER, 1998

(Continued)

5. Called up Share Capital	1998	1997
Authorised: 1000 ordinary shares of £1 each	1,000 =====	1,000 =====
Issued: 100 ordinary shares of £1 each fully paid	100 =====	100 =====