

COMPANY NUMBER: 2877675

HIGHGROVE CONTROL SYSTEMS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 JANUARY 2000

**WATERMARK FINANCIAL SERVICES LIMITED
INCORPORATED COMPANY ACCOUNTANTS**

**1 HOGARTH HOUSE
SUTTON GROVE
SUTTON
SURREY
SM1 4TG**



HIGHGROVE CONTROL SYSTEMS LIMITED

Detailed Profit and Loss Account For The Accounting Period Ended 31 December 1999

	1999		1998	
	£	£	£	£
TURNOVER:		121,320		144,216
		<u>121,320</u>		<u>144,216</u>
Less: Cost of Sales				
Materials	22,803		39,359	
Equipment Hire	91		825	
Small tools	406		137	
Salaries	<u>37,410</u>		<u>47,830</u>	
		60,711		88,151
Gross profit		<u>60,610</u>		<u>56,065</u>
Other income				
Bank Interest		0		0
Sundry income		<u>0</u>		<u>0</u>
		60,610		56,065
Expenses				
Directors Salaries	33,607		27,304	
Administration Salaries	1,066		3,570	
Test & monitoring	595		0	
Motor expenses & Travel	5,862		8,421	
Printing, postage & stationery	1,769		1,161	
Telephone & fax	2,847		2,566	
Entertaining/Promotions	0		0	
Legal expenses	0		12	
Bank charges & interest	575		3,341	
Storage	4,160		3,408	
Audit and accountancy	400		400	
Depreciation	1,039		1,385	
Insurance	973		3,455	
Taxation	0		0	
Repairs & maintenance	1,222		236	
Protective clothing	0		276	
Computer maintenance	839		806	
Subsistence	0		457	
Subscriptions	3,852		0	
Sundry expenses	<u>432</u>		<u>215</u>	
		59,238		57,013
Profit \ (Loss) Before Taxation		<u>1,372</u>		<u>(948)</u>

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL ACCOUNTS

**HIGHGROVE CONTROL SYSTEMS LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2000**

	Page No.
Director's Report	1
Profit and Loss Account	2
Balance Sheet	3
Notes to the Financial Statements	4 - 6

HIGHGROVE CONTROLS SYSTEMS LIMITED

DIRECTOR'S REPORT

FOR THE ACCOUNTING PERIOD ENDED 1 JANUARY 2000

The director presents his report, together with the statutory statements of the Company for the accounting period ended 1 January 2000.

PRINCIPLE ACTIVITY

The company's principle activity during the period was that of Electronic Control Systems

DIRECTORS AND THEIR INTERESTS

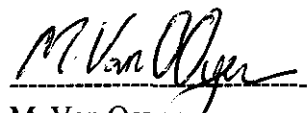
The directors who served during the year and their interests in the share capital of the company at 1 January 2000 were as follows:

	Ordinary Shares of £1 Each	
	1.1.00	1.1.99
P. Van Ooyen	1	1
M. Van Ooyen	1	1

SMALL COMPANY EXEMPTIONS

The directors have taken advantage of the exemptions conferred by Part II of Schedule 8 to the Companies Act 1985.

By Order of The Board


M. Van Ooyen
Secretary

Registered Office
109 Grove Road
Sutton
Surrey
SM1 2DB

HIGHGROVE CONTROL SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE ACCOUNTING PERIOD ENDED 31 DECEMBER 1999

		1999	1998
	Note	£	£
TURNOVER	1(b)	121,320	144,216
Cost of sales		<u>(60,711)</u>	<u>(88,151)</u>
Gross profit		60,610	56,065
Administrative expenses		<u>(59,222)</u>	<u>(56,971)</u>
Operating Profit / (Loss)	2	1,388	(906)
Interest receivable	4	0	0
Sundry income		0	
Interest payable	5	<u>(16)</u>	<u>(42)</u>
		<u>(16)</u>	<u>(42)</u>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		1,372	(948)
Tax on Profit / (Loss) on ordinary activities	6	<u>0</u>	<u>0</u>
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	12	1,372	(948)
Retained profit/loss brought forward		<u>(3,277)</u>	<u>(2,329)</u>
Retained profit/loss carried forward		<u>(1,905)</u>	<u>(3,277)</u>

There were no recognised gains or losses in the year or previous period other than those dealt with in the profit and loss account

HIGHGROVE CONTROL SYSTEMS LIMITED

BALANCE SHEET AS AT 31 DECEMBER 1999

		1999	1998
	Note	£	£
FIXED ASSETS			
Cost	7	4,159.00	8,984.00
Depreciation		<u>1,039.00</u>	<u>4,825.00</u>
		3,120.00	4,159.00
CURRENT ASSETS			
Trade Debtors	3	10,557.00	2,449.00
Cash in Hand and at Bank		17,951.00	6,781.00
Other Debtors		<u>0.00</u>	<u>753.00</u>
		31,628.00	14,142.00
Creditors - amounts falling due within one year	4	<u>33,531.00</u>	<u>17,417.00</u>
Total Current Assets Less Current Liabilities		(1,903.00)	(3,275.00)
Creditors - amounts falling due after more than one year		<u>0.00</u>	<u>0.00</u>
		<u>(1,903.00)</u>	<u>(3,275.00)</u>
CAPITAL AND RESERVES			
Called up share capital	5	2.00	2.00
Profit and Loss Account		<u>(1,905.00)</u>	<u>(3,277.00)</u>
Total Equity Shareholder's Funds		<u>(1,903.00)</u>	<u>(3,275.00)</u>

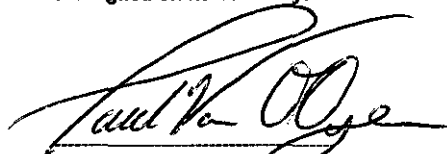
For the year ended 31 December 1999 the company was entitled to exemption from the requirement to have an audit under the provisions of section 249A(1) of the Companies Act 1985. No notice has been deposited with the company under section 249B(2) of that Act requiring an audit to be carried out.

The directors acknowledge their responsibility for:

- (a) ensuring the company keeps accounting records in accordance with section 221 of the Companies Act 1985; and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of its financial period and of its loss for the financial year in accordance with the requirements of section 226 of the Companies Act 1985 and which otherwise comply with the accounting requirements of that Act relating to the financial statements so far as they are applicable to the company.

The directors have taken advantage of the exemption conferred by Part 1 of Schedule 8 to the Companies Act 1985 on the grounds that the company is entitled to the benefit of these exemptions as a small company.

The financial statements on pages 2 to 6 were approved by the Board of Directors on 20 November 2000 and are signed on its behalf by:


P Van Ooyen - Director

HIGHGROVE CONTROL SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 1 JANUARY 2000

1. ACCOUNTING POLICIES

The principal accounting policies adopted are described below:

(a) Accounting Convention

The financial statements are prepared under the historical cost convention and in accordance with applicable accounting standards.

(b) Turnover

Turnover represents amounts received from third parties. Turnover is attributable to one continuing activity within the United Kingdom.

(c) Going Concern

The balance sheet on page 3 shows a net current negative position in shareholders funds at 1 January 2000.

The directors are confident that the company won't continue to trade in this position for the foreseeable future. On this basis the directors consider it appropriate to prepare the financial statements on a going concern basis.

2. OPERATING PROFIT (LOSS)

	Period Ended 1 January 2000 £	Period Ended 1 January 1999 £
This is stated after charging:		
Directors' remuneration	33607	27304
Auditors' remuneration	-	-
	-----	-----

3. DEBTORS

	1999 £	1998 £
Trade debtors	10557	2449
Cash at Bank	17951	6781
Other Debtors	0	753
	-----	-----
	28508	9983
	-----	-----

HIGHGROVE CONTROL SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 1 JANUARY 2000

	1999	1998
4. CREDITORS - Amounts falling due within one year	£	£
Trade Creditors	480	210
Corporation Tax		
Taxation & Social Security	10107	691
Other Creditors	22944	16516
	-----	-----
	33531	17417
	-----	-----

5. CALLED UP SHARE CAPITAL

	1999	1998
	£	£
Authorised		
1000 ordinary shares of £1 each	1000	1000
	-----	-----
Allotted and called up 2 ordinary shares of £1 each	2	2
	-----	-----

The shares were not fully paid up at 1 January 2000.

6. RECONCILLATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Period Ended 1 January 2000	Period Ended 1 January 1999
	£	£
At 1 January 1999	2	2
Profit/ (Loss) for the year	(1905)	(3277)
	-----	-----
At 1 January 2000	(1903)	(3275)
	-----	-----

HIGHGROVE CONTROL SYSTEMS LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 FOR THE PERIOD ENDED 1 JANUARY 2000

7. FIXED ASSETS

Fixed assets are depreciated at 25% of cost on a reducing balance basis.

	Office Equipment	Vans	Motorbike	Computer
	£	£	£	£
WDV b/fwd at 02/01/99	315	2753	418	673
Additions	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation for 1999	315 (79)	2753 (688)	418 (104)	673 (168)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance c/fwd to 02/01/00	236	2065	314	505
	<hr/>	<hr/>	<hr/>	<hr/>

The total depreciation charged in the accounts for the accounting period was £1039.00.