

COMPANY NUMBER: 2877675

HIGHGROVE CONTROL SYSTEMS LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004



WATERMARK FINANCIAL SERVICES LIMITED
INCORPORATED COMPANY ACCOUNTANTS
1 HOGARTH HOUSE
SUTTON GROVE
SUTTON
SURREY
SM1 4TG

**HIGHGROVE CONTROL SYSTEMS LIMITED
INDEX TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004**

	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 YEAR ENDED 31 DECEMBER 2004

The director presents his report, together with the statutory statements of the Company for the accounting period ended 31 December 2004.

PRINCIPLE ACTIVITY

The company's principle activity during the year was the installation of Electronic Control Systems.

DIRECTORS AND THEIR INTERESTS

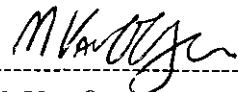
The directors who served during the year and their interests in the share capital of the company at 31 December 2004 were as follows:

	Ordinary Shares of £1 Each	
	31.12.04	31.12.03
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

Detailed Profit and Loss Account For The Year Ended 31 December 2004

	2004		2003	
	£	£	£	£
TURNOVER:		306,148		258,231
		<u>306,148</u>		<u>258,231</u>
Less: Cost of Sales				
Materials	45,710		56,694	
Equipment Hire	121		15	
Equipment	81,137		54,780	
Subcontract Labour	30,551		19,244	
Skip Hire	560		0	
Salaries	<u>49,727</u>		<u>40,412</u>	
		<u>207,806</u>		<u>171,145</u>
Gross profit		98,342		87,086
Other income				
Bank Interest		249		141
Sundry income		<u>0</u>		<u>0</u>
		98,591		87,227
Expenses				
Use of home	6,117		3,000	
Directors salaries	0		0	
Administration salaries	17,161		15,685	
Staff training	240		0	
Consultancy	4,481			
Test & monitoring	262		273	
Motor expenses & Travel	24,808		13,482	
Printing, postage & stationery	5,048		3,622	
Telephone & fax	5,650		4,551	
Advertising	0		0	
Recruitment fees	0		0	
Entertaining/Promotions	73		30	
Legal expenses	0		0	
Bank charges & interest	1,416		1,509	
Loan Interest	2,245		2,630	
Storage	5,348		5,653	
Audit and accountancy	0		450	
Depreciation	1,274		935	
Insurances	8,639		3,297	
Taxation	0		0	
Bad Debts written off	0		21,676	
Repairs & maintenance	2,682		2,442	
Protective clothing	611		383	
Dry cleaning	0		0	
Computer maintenance	0		1,344	
Subsistence	498		79	
Subscriptions	3,060		3,117	
Sundry expenses	<u>64</u>		<u>0</u>	
		<u>89,677</u>		<u>84,158</u>
Profit \ (Loss) Before Taxation		<u>8,914</u>		<u>3,069</u>

THIS PAGE DOES NOT FORM PART OF THE STATUTORY FINANCIAL ACCOUNTS

HIGHGROVE CONTROL SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2004

		2004		2003	
	Note	£	£	£	£
TURNOVER	1(b)		306,148		258,231
Cost of sales			<u>(207,806)</u>		<u>(171,145)</u>
Gross profit			98,342		87,086
Administrative expenses			<u>(89,677)</u>		<u>(84,158)</u>
Operating Profit / (Loss)	2		8,665		2,928
Interest receivable	4	249		141	
Sundry income		0		0	
Interest payable	5	<u>0</u>		<u>0</u>	
			<u>249</u>		<u>141</u>
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			8,914		3,069
Tax on Profit / (Loss) on ordinary activities	6		<u>0</u>		<u>0</u>
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	12		8,914		3,069
Dividends paid and proposed			<u>0.00</u>		<u>(46,222)</u>
			8,914		(43,153)
Retained profit/loss brought forward			<u>(79,097)</u>		<u>(35,944)</u>
Retained profit/loss carried forward			<u>(70,183)</u>		<u>(79,097)</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 2004

		2004	2003
	Note	£	£
FIXED ASSETS			
Cost	7	9,365	6,865
Depreciation		<u>5,334</u>	<u>4,060</u>
		4,031	2,804
CURRENT ASSETS			
Trade Debtors	3	45,874	26,642
Cash in Hand and at Bank		36,153	13,567
Other Debtors		<u>98</u>	<u>0</u>
		86,156	43,013
Creditors - amounts falling due within one year	4	<u>(93,935)</u>	<u>(80,898)</u>
Total Current Assets Less Current Liabilities		(7,778)	(37,885)
Creditors - amounts falling due after more than one year		<u>(27,402)</u>	<u>(31,210)</u>
		<u>(35,181)</u>	<u>(69,095)</u>
CAPITAL AND RESERVES			
Called up share capital	5	2	2
Capital introduced		35,000	10,000
Profit and Loss Account		<u>(70,183)</u>	<u>(79,097)</u>
Total Equity Shareholder's Funds		<u>(35,181)</u>	<u>(69,095)</u>

For the year ended 31 December 2004 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.

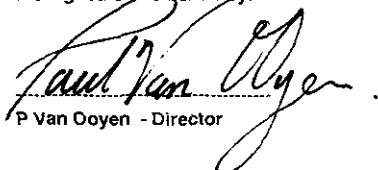
The directors acknowledge their responsibility for:

(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 15 February 2005 and are signed on its behalf by:


P Van Ooyen - Director

HIGHGROVE CONTROL SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2004

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 31 December 2004.

The directors are confident that the company will not 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 31 December 2004	Period Ended 31 December 2003
	£	£
This is stated after charging:		
Directors' remuneration	0	0
Auditors' remuneration	-	-
	-----	-----

3. DEBTORS

	2004	2003
	£	£
Trade debtors	44974	26642
Cash at Bank	36153	13567
Other Debtors	998	
	-----	-----
	82125	43013
	-----	-----

HIGHGROVE CONTROL SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE YEAR ENDED 31 DECEMBER 2004

	2004	2003
4. CREDITORS - Amounts falling due within one year	£	£
Trade Creditors	67844	52550
Corporation Tax		
Taxation & Social Security	16777	15752
Other Creditors	36715	12596
	-----	-----
	121336	80898
	-----	-----

5. CALLED UP SHARE CAPITAL

	2004	2003
	£	£
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 31 December 2004.

6. RECONCILLATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Period Ended 31 Dec.2004	Period Ended 31 Dec.2003
	£	£
At 1 January 2004	2	2
Capital Introduced	35000	10000
Profit/ (Loss) for the year	(70183)	(79097)
	-----	-----
	(35181)	(69095)
	-----	-----

HIGHGROVE CONTROL SYSTEMS LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 FOR THE YEAR ENDED 31 DECEMBER 2004

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 01/01/04	81	2410	100	213
Additions	-	2500	-	-
	<hr/> 81	<hr/> 4910	<hr/> 100	<hr/> 213
Charge for the year	20	1176	25	53
Balance c/fwd to 31/12/04	<hr/> 61	<hr/> 3734	<hr/> 75	<hr/> 160

The total depreciation charged in the accounts for the accounting period was £1274.00.