

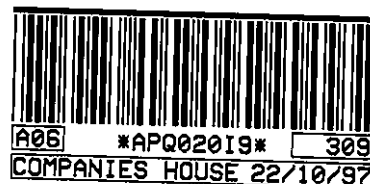
COMPANY NUMBER: 2877675

HIGHGROVE CONTROL SYSTEMS LIMITED

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 JANUARY 1997

**D I FRASER ASCA
INCORPORATED COMPANY ACCCOUNTANT
1 HOGARTH HOUSE
SUTTON GROVE
SUTTON
SURREY
SM1 4TG**



HIGHGROVE CONTROL SYSTEMS LIMITED

Detailed Profit and Loss Account For The Accounting Period Ended 1 January 1997

	1996		1995	
	£	£	£	£
Turnover		51,243		40,545
		<u>51,243</u>		<u>40,545</u>
Less Cost of Sales				
Materials	9,725		9,255	
Salaries	<u>34,887</u>		<u>13,077</u>	
		<u>(44,612)</u>		<u>(22,332)</u>
Gross profit		6,631		18,213
Other income				
Insurance Refund		4,917		0
Bank Interest		0		0
		<u>11,548</u>		<u>18,213</u>
Less Expenses:				
Directors Salaries	7,650		0	
Administrative Salaries	1,619		0	
Test and Monitoring	0		330	
Motor and Travelling	8,276		7,112	
Postage, printing and stationery	1,892		594	
Telephone and Fax	1,336		1,101	
Entertaining/Promotions	0		1,632	
Legal expenses	0		83	
Bank charges and interest	331		228	
Storage	200		0	
Audit and accountancy	300		599	
Depreciation	832		1,110	
Use of Room	0		673	
Insurance	901		724	
Legal Expenses	0		83	
Protective Clothing/ Dry Cleanin	548		947	
Computer Maintenance	1,108		134	
Subscriptions	201		0	
Sundry Expenses	<u>0</u>		<u>234</u>	
		<u>25,194</u>		<u>15,584</u>
Reatined Profit/ (Loss) for the period		<u>(13,646)</u>		<u>2,629</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 1997**

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HIGHGROVE CONTROLS SYSTEMS LIMITED

DIRECTOR'S REPORT

FOR THE ACCOUNTING PERIOD ENDED 1 JANUARY 1997

The director presents his report, together with the statutory statements of the Company for the accounting period ended 1 January 1997.

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 1997 were as follows:

	Ordinary Shares of £1 Each	
	1.1.97	1.1.96
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 1 January 1997

		1996	1995
	Note	£	£
TURNOVER	1(b)	51,243	40,545
Cost of sales		<u>(44,612)</u>	<u>(22,332)</u>
Gross profit		6,631	18,213
Administrative expenses		<u>(25,177)</u>	<u>(15,584)</u>
		(18,546)	2,629
Other operating income		<u>4,917</u>	
Operating Profit / (Loss)	2	(13,629)	2,629
Interest receivable			
Interest payable		(17)	0
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION		(13,646)	2,629
Tax on Profit / (Loss) on ordinary activities		<u>0</u>	<u>(561)</u>
PROFIT / (LOSS) FOR THE FINANCIAL YEAR	6	(13,646)	2,068
Accumulated profit/ (loss) brought forward		<u>2,068</u>	<u>0</u>
Accumulated profit/ (loss) carried forward		<u>(11,578)</u>	<u>2,068</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 1 JANUARY 1997

		1996	1995
	Note	£	£
FIXED ASSETS			
Cost		3,331.00	4,441.00
Depreciation	7	<u>832.00</u>	<u>1,110.00</u>
		2,499.00	3,331.00
CURRENT ASSETS			
Other Debtors	3	0.00	0.00
Cash in Hand and at Bank		<u>31.00</u>	<u>342.00</u>
		2,530.00	3,673.00
Creditors - amounts falling due within one year	4	8,506.00	1,603.00
Creditors - amounts falling due more than one year			
Directors Loan		<u>5,600.00</u>	
Nett Current Assets Less Current Liabilities		<u>(11,576.00)</u>	<u>2,070.00</u>
CAPITAL AND RESERVES			
Authorised		<u>1,000.00</u>	<u>1,000.00</u>
Called up share capital	5	2.00	2.00
Profit and Loss Account		<u>(11,578.00)</u>	<u>2,068.00</u>
EQUITY SHAREHOLDER'S FUNDS		<u>(11,576.00)</u>	<u>2,070.00</u>

For the year ended 1 January 1996 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 30/09/97 and are signed on its behalf by:


P Van Ooyen
Managing Director

HIGHGROVE CONTROL SYSTEMS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 1 JANUARY 1997

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 1997

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 1997 £	Period Ended 1 January 1996 £
This is stated after charging:		
Directors' remuneration	7650	0.00
Auditors' remuneration	-	-
	-----	-----

3. DEBTORS

	1996 £	1995 £
Other debtors	0	-
Cash at Bank	31	342
	-----	-----

HIGHGROVE CONTROL SYSTEMS LIMITED
NOTES TO THE FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED 1 JANUARY 1997

	1996	1995
4. CREDITORS - Amounts falling due within one year	£	£
Trade Creditors	839	1042
Corporation Tax		561
Taxation & Social Security	6638	
Other Creditors	1029	
	-----	-----
	8506	1063
	-----	-----

5. CALLED UP SHARE CAPITAL

	1996	1995
	£	£
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 1997.

6. RECONCILLATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	Period Ended 1 January 1997	Period Ended 1 January 1996
	£	£
At 1 January 1996	2	2
Profit/ (Loss) for the year	(11578)	2068
	-----	-----
At 1 January 1997	(11576)	2070
	-----	-----

HIGHGROVE CONTROL SYSTEMS LIMITED
 NOTES TO THE FINANCIAL STATEMENTS (continued)
 FOR THE PERIOD ENDED 1 JANUARY 1997

7. FIXED ASSETS

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

	Office Equipment	Motorbike	Computer
	£	£	£
WDV b/fwd at 02/01/96	746	991	1594
Additions	-	-	-
	<hr/>	<hr/>	<hr/>
Depreciation for 1996	746 (186)	991 (248)	1594 (398)
	<hr/>	<hr/>	<hr/>
Balance c/fwd to 02/01/97	560	743	1196
	<hr/>	<hr/>	<hr/>

The total depreciation charged in the accounts for the accounting period was £832.00.

CORPORATION TAX COMPUTATION
 FOR THE ACCOUNTING PERIOD ENDED 1 JANUARY 1997
HIGHGROVE CONTROL SYSTEMS LIMITED

Loss per Accounts	£	£
		(13,646.00)
Add Back:		<u>(13,646.00)</u>
Promotion:	0.00	
Legal Fees:	0.00	
Depreciation:	832.00	
		<u>832.00</u>
		(12,814.00)
Less:		
Bank Interest Received:	0.00	
Capital Allowances:	<u>832.00</u>	<u>832.00</u>
Schedule D Case1		(13,646.00)
Schedule D Case 111		<u>0.00</u>
Net Loss Chargeable to Corporation Tax		<u>(13,646.00)</u>
Corporation Tax @ 24% (£0.00 x 24%)		<u>£</u> <u>0.00</u>

CAPITAL ALLOWANCES

		General Pool £	Motor Bike £	Computer £	Allowances £
1996					
02-Jan-96	WDV b/fwd	746.00	991.00	1,594.00	
	Additions	<u>0.00</u>	<u>0.00</u>	0.00	
		746.00	991.00	1,594.00	
01-Jan-97	WDA @25%	<u>(186.00)</u>	<u>(248.00)</u>	(398.00)	<u>832.00</u>
	WDV c/fwd to 02/01/97	<u>560.00</u>	<u>743.00</u>	<u>1,196.00</u>	
Total allowances claimed					<u>832.00</u>