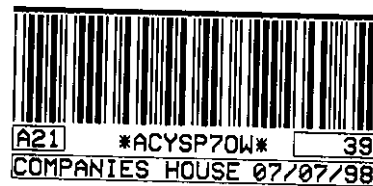


HOLMES CONTROLS LIMITED
16 BEACON CLOSE
GROBY
LEICESTER
LE6 0GB

3021217

STATEMENT OF ACCOUNTS
for the year ended
31 JANUARY 1998



Mr Tax Limited
220 Narborough Road
LEICESTER
LE3 2AN

HOLMES CONTROLS LIMITED

ACCOUNTS - YEAR ENDED 31 JANUARY 1998

<i>CONTENTS</i>	<i>Page</i>
Director's report	1 - 2
Accountants' report	3
Profit and loss account	4
Balance sheet	5
Notes to the accounts	6 - 7
For information of director only	8

HOLMES CONTROLS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 1998

DIRECTOR
Mrs W Holmes

SECRETARY
D Holmes

REGISTERED OFFICE
16 Beacon Close
Groby
Leicester
LE6 0GB

PRINCIPAL ACTIVITY

The principal activity continues to be that of design and manufacturer of programmable control systems.

RESULTS AND DIVIDENDS

The results of the year's trading, the financial position of the company and the transfer to reserves are shown in the annexed accounts. The company's profit for the year before taxation, amounted to £56,385.

The director recommends that the interim dividend of £40,000 paid on 2nd October 1997 be confirmed.

DIRECTOR AND DIRECTOR'S INTEREST

The interest of the director in the shares of the company at the beginning and end of the year was as follows:

Ordinary share of £1 each.

Mrs W Holmes

1

CLOSE COMPANY STATUS

The Company is a close company within the meaning of the Income and Corporation Act 1988.

HOLMES CONTROLS LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 1998 (continued)

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for the period.

In preparing these financial statements, the Directors are required to:

- * Select suitable accounting policies and apply them consistently.
- * Make judgements and estimates that are reasonable and prudent.
- * Take account of expenses and income relating to the period paid, unpaid, received or outstanding.
- * Prepare financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in the business.

The Directors are responsible for maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

BY ORDER OF THE BOARD

.....*David Holmes*.....

D Holmes
SECRETARY

.....24-4-98..... Date

ACCOUNTANT'S REPORT TO THE SHAREHOLDERS OF HOLMES CONTROLS LIMITED

In accordance with the instructions of the company's director and in order to assist the director to fulfil her responsibilities we have prepared the accounts on pages 4 to 8 from accounting records and from information and explanations supplied to us.

As described on the balance sheet the company's director is responsible for the preparation of the accounts, and she believes that the company is exempt from an audit.

We have not performed an audit in accordance with Auditing Standards or procedures in accordance with the Statement of Standards for Reporting Accountants and accordingly we express no opinion on the accounts.

Mr. Tax
.....
MR TAX
TAX ACCOUNTANTS
220 NARBOROUGH ROAD
LEICESTER
LE3 2AN

HOLMES CONTROLS LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 1998

	1998 £	1997 £
Turnover	190,636	157,633
Cost of Sales	<u>(64,785)</u>	<u>(53,236)</u>
GROSS PROFIT	125,851	104,397
Administrative Expenses	<u>(70,349)</u>	<u>(54,727)</u>
Operating Profit	55,502	49,670
Bank Interest Receivable	883	751
	<u>56,385</u>	<u>50,421</u>
Tax on Profit on Ordinary Activities	<u>(12,240)</u>	<u>(15,975)</u>
Profit on Ordinary Activities after Taxation	44,145	34,446
Dividends	<u>(40,000)</u>	<u>(30,000)</u>
Retained Profit for the year	4,145	4,446
Retained Profit brought forward	<u>9,383</u>	<u>4,937</u>
Retained Profit carried forward	<u>13,528</u> =====	<u>9,383</u> =====

HOLMES CONTROLS LIMITED

BALANCE SHEET AS AT 31 JANUARY 1998

		1998	1997
		£	£
	Note		
FIXED ASSETS			
Tangible Assets	5	3,891	3,648
CURRENT ASSETS			
Stock & work in progress		1,250	850
Debtors	6	5,054	12,231
Cash at Bank & in Hand		<u>13,222</u>	<u>3,636</u>
		<u>19,526</u>	<u>16,717</u>
CREDITORS			
Amounts falling due within one year	7	<u>9,887</u>	<u>10,980</u>
NET CURRENT ASSETS		<u>9,639</u>	<u>5,737</u>
NET ASSETS		<u>13,530</u>	<u>9,385</u>
CAPITAL AND RESERVES			
Called up share capital	8	2	2
Profit & Loss Account		<u>13,528</u>	<u>9,383</u>
		<u>13,530</u>	<u>9,385</u>

The director is satisfied that the company was entitled to the exemption under subsection (1) of section 249A of the Companies Act 1985 and that no notice has been deposited under section 249B(2). The directors acknowledge their responsibilities for:

- ensuring that the company keeps accounting records which comply with section 221;
- preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the financial year and of its profit or loss for the financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to the accounts, so far as applicable to the company.

.....*W Holmes*.....

Mrs. W Holmes

Director

The accounts were approved by the director on 24-4-98

The annexed notes form part of these accounts.

HOLMES CONTROLS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 1998

1. ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the financial statements are set out below:

- (a) **Basis of preparation of financial statements**
The financial statements have been prepared under the historical cost convention. The effect of events relating to the period ended 31 January 1998 which occurred before the date of approval of the financial statements by the Board of Directors, have been included in the statements to the extent required to show a true and fair view of the state of affairs at 31 January 1998 and of the results for the period ended on that date.
- (b) **Cash Flow Statement**
The company has taken advantage of Financial Reporting Standard No 1 from producing a cash flow statement on the grounds that it is a small company
- (c) **Tangible fixed assets**
Depreciation is provided at the following rates in order to write off each asset over its expected useful life:

Plant and Equipment	15% p.a. reducing balance.
---------------------	----------------------------
- (d) **Stock**
Stocks have been valued at the lower of cost and net realisable value.

2. TURNOVER

The company's turnover represents the value, excluding value added tax, of goods and services supplied to customers during the year.

3. OPERATING PROFIT

	<u>1998</u>	<u>1997</u>
This is after charging:		
Director's remuneration	13,216	8,710
Depreciation	686	644
	=====	=====

4. TAXATION

Current year:		
Corporation tax	12,240	12,225
Prior period:		
ACT over provided	-	3,750
	-----	-----
	12,240	15,975
	=====	=====

HOLMES CONTROLS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 1998 (continued)

5. TANGIBLE FIXED ASSETS

	Plant and Equipment £
COST:	
Balance as at 1 February 1997	4,644
Net additions during the year	929
Balance as at 31 January 1998	<u>5,573</u>
DEPRECIATION:	
Balance as at 1 February 1997	996
Charge during the year	686
Balance as at 31 January 1998	<u>1,682</u>
Net book value:	
At 31 January 1998	<u>3,891</u>
At 31 January 1997	<u>3,648</u>

6. DEBTORS - ALL RECEIVABLE WITHIN ONE YEAR

	<u>1998</u>	<u>1997</u>
Trade debtors	<u>5,054</u>	<u>12,231</u>

7. CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR

	<u>1998</u>	<u>1997</u>
	£	£
Trade creditors and accruals	6,626	5,234
Corporation tax	2,240	4,725
Loan account	<u>1,021</u>	<u>1,021</u>
	<u>9,887</u>	<u>10,980</u>

8. SHARE CAPITAL

	<u>1998</u>	<u>1997</u>
	£	£
Authorised 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>
Alloted, issued and fully paid 2 Ordinary shares of £1 each	2	2
	=====	=====