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SMART LIQUID SYSTEMS LIMITED

FINANCIAL STATEMENTS

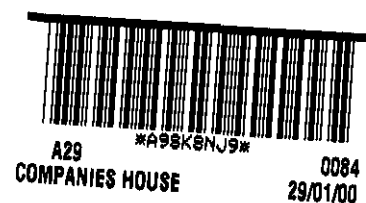
31 MARCH 1999

Registered number: 3052192

DUNCAN BOXWELL & COMPANY

CHARTERED ACCOUNTANTS

Neston



SMART LIQUID SYSTEMS LIMITED
FINANCIAL STATEMENTS
for the year ended 31 March 1999

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The following page does not form part of the statutory accounts

Detailed trading and profit and loss account	Appendix 1
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SMART LIQUID SYSTEMS LIMITED

COMPANY INFORMATION

31 March 1999

INCORPORATED	in Engaland on 2 May 1995
NUMBER	3052192
DIRECTORS	D N Smith F Dent (resigned 17 November 1998)
SECRETARY	L Smith
REGISTERED OFFICE	Montrose House Clayhill Neston South Wirral
BANKERS	Lloyds Bank Ellesmere Port Branch 15 - 19 Marina Drive Ellesmere Port South Wirral
ACCOUNTANTS	Duncan Boxwell & Company Chartered Accountants Montrose House Clayhill Neston South Wirral

SMART LIQUID SYSTEMS LIMITED

DIRECTORS' REPORT

31 March 1999

The directors present their report and the financial statements for the year ended 31 March 1999.

Principal activity

The principal activity of the company is that of engineers.

Directors

The directors of the company during the year and their interests in the shares of the company as recorded in the register of directors' interests were as follows:

	31 March 1999 Ordinary shares	1 April 1998 Ordinary shares
D N Smith	1	-
F Dent (resigned 17 November 1998)	-	1

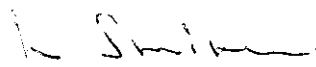
Small company exemptions

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

On behalf of the board

L Smith
Secretary

Montrose House
Clayhill
Neston
South Wirral



19 January 2000

SMART LIQUID SYSTEMS LIMITED

ACCOUNTANTS' REPORT

Accountants' report to the directors
on the unaudited financial statements of
Smart Liquid Systems Limited

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 31 March 1999, set out on pages 4 to 8, and you consider that the company is exempt from an audit. In accordance with your instructions, we have compiled these unaudited financial statements in order to assist you to fulfil your statutory responsibilities, from the accounting records and information and explanations supplied to us.

Neston
19 January 2000

Duncan Boxwell and Co
Duncan Boxwell & Company
Chartered Accountants

SMART LIQUID SYSTEMS LIMITED

PROFIT AND LOSS ACCOUNT

for the year ended 31 March 1999

	Note	1999 £	1998 £
Turnover	2	37,119	17,792
Cost of sales		(10,373)	(13,923)
Gross profit		26,746	3,869
Net operating expenses			
Distribution costs		(3,222)	(3,248)
Administrative expenses		(7,971)	(626)
Other operating income		4	-
Profit/(loss) on ordinary activities before taxation		15,557	(5)
Taxation	5	(3,178)	(6)
Profit/(loss) on ordinary activities after taxation		12,379	(11)
Dividends	6	(4,000)	-
Retained profit/(loss) for the year	11	8,379	(11)

Movements in reserves are shown in note 11.

None of the company's activities were acquired or discontinued during the above two financial years.

There were no recognised gains and losses in 1999 or 1998 other than the profit/(loss) for the year.

SMART LIQUID SYSTEMS LIMITED

BALANCE SHEET

at 31 March 1999

	Note	1999 £	1998 £
Fixed assets			
Tangible assets	7	1,050	-
Current assets			
Debtors	8	17,664	-
Cash at bank and in hand		8,032	2,040
		<u>25,696</u>	<u>2,040</u>
Creditors: amounts falling due within one year	9	(18,352)	(2,025)
Net current assets		<u>7,344</u>	<u>15</u>
Total assets less current liabilities		<u>8,394</u>	<u>15</u>
Capital and reserves			
Called up share capital	10	1	1
Profit and loss account	11	8,393	14
Total shareholders' funds	12	<u>8,394</u>	<u>15</u>

continued

SMART LIQUID SYSTEMS LIMITED

BALANCE SHEET
(continued)

at 31 March 1999

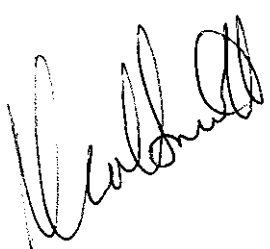
The directors consider that for the year ended 31 March 1999 the company was entitled to exemption under subsection 1 of section 249A of the Companies Act 1985. No member or members have deposited a notice requesting an audit for the current financial year under subsection 2 of section 249B of the Act.

The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Companies Act 1985 and preparing financial statements 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 financial statements, so far as applicable to the company.

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

The financial statements on pages 4 to 8 were approved by the board of directors on 19 January 2000 and signed on its behalf by:

D N Smith
Director



SMART LIQUID SYSTEMS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement as conferred by Financial Reporting Standard No. 1 (Revised 1996) on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services falling within the company's activities after deduction of trade discounts and value added tax.

Tangible fixed assets

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Plant and machinery - 15%

Leases and hire purchase contracts

Rentals paid under operating leases are charged to income as incurred.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK (1998 nil).

3 Operating profit/(loss)

	1999	1998
	£	£
Operating profit/(loss) is stated after crediting:		
Interest receivable	4	-
	<u> </u>	<u> </u>
and after charging:		
Operating leases:		
Hire of plant and machinery	1,074	-
Rent	369	-
	<u> </u>	<u> </u>

4 Directors

	1999	1998
	£	£
Directors' emoluments	800	-
	<u> </u>	<u> </u>

SMART LIQUID SYSTEMS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

5 Taxation

	1999	1998
	£	£
Corporation tax on profit on ordinary activities at 21% (1998 21%)	3,178	-
Under provision in earlier years	-	6
	<u>3,178</u>	<u>6</u>

6 Dividends

	1999	1998
	£	£
Dividends	<u>4,000</u>	<u>-</u>

7 Tangible fixed assets

	Plant and Machinery etc £
Cost	
Additions	1,050
31 March 1999	<u>1,050</u>
Net book amount	
31 March 1999	<u>1,050</u>

8 Debtors

	1999	1998
	£	£
Amounts falling due within one year		
Trade debtors	<u>17,664</u>	<u>-</u>

9 Creditors: amounts falling due within one year

	1999	1998
	£	£
Trade creditors	9,713	-
Corporation tax	3,178	-
Other taxation and social security	1,917	-
Other creditors	3,544	2,025
	<u>18,352</u>	<u>2,025</u>

SMART LIQUID SYSTEMS LIMITED

NOTES ON FINANCIAL STATEMENTS

31 March 1999

10 Called up share capital

	1999		1998	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares	<u>1,000</u>	<u>1</u>	<u>1,000</u>	<u>1</u>
Allotted, called up and fully paid				
Ordinary shares	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>

11 Profit and loss account

	1999 £
1 April 1998	14
Retained profit for the year	<u>8,379</u>
31 March 1999	<u>8,393</u>

12 Reconciliation of movements in shareholders' funds

	1999 £	1998 £
Profit/(loss) for the financial year	12,379	(11)
Dividends	<u>(4,000)</u>	<u>-</u>
Net addition to/(subtraction from) shareholders' funds	8,379	(11)
Opening shareholders' funds	<u>15</u>	<u>26</u>
Closing shareholders' funds	<u>8,394</u>	<u>15</u>