

Revised

EUROTEST ENVIRONMENTAL TECHNOLOGY
LIMITED

FINANCIAL STATEMENTS

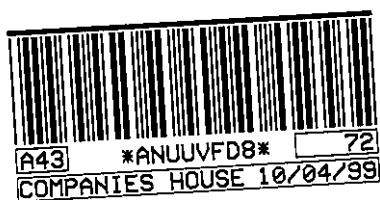
31ST DECEMBER 1998

Registered number: FC016875

SMITH PEARMAN

CHARTERED ACCOUNTANTS

Ripley



EUROTEST ENVIRONMENTAL TECHNOLOGY LIMITED

COMPANY INFORMATION

31st December 1998

INCORPORATED	Louisiana, USA
NUMBER	FC016875
DIRECTORS	S Richards D Briggs
REGISTERED OFFICE	Unit 14/15 First Quarter Blenheim Road Epsom Surrey KT19 9QN
ACCOUNTANTS	Smith Pearman Chartered Accountants Hurst House High Street Ripley Surrey GU23 6AY

EUROTEST ENVIRONMENTAL TECHNOLOGY LIMITED

ACCOUNTANTS REPORT

Accountants' report on the unaudited financial statements to the directors of Eurotest Environmental Technology Limited

In accordance with your instructions, we have compiled these unaudited financial statements from the accounting records and information and explanations supplied to us.

Ripley

24.3.99



Smith Pearman
Chartered Accountants

EUROTEST ENVIRONMENTAL TECHNOLOGY LIMITED
TRADING AND PROFIT AND LOSS ACCOUNT
for the Year ended 31st December 1998

	1998		1997	
	£	£	£	£
Turnover				
Sales		893,247		651,712
Cost of sales				
Opening stock	33,226		35,769	
Purchases	243,882		128,507	
Subcontractors	19,783		-	
Freight and carriage	14,361		20,148	
Sales commission	586		-	
Protective clothing	2,922		-	
Van expenses	76,364		66,344	
Travel and subsistence	18,262		16,686	
Hire of equipment	5,677		2,186	
Salaries and wages	163,065		162,783	
Social Security costs	16,096		-	
Depreciation van equipment	2,856		13,566	
Depreciation Warehouse equipment	614		864	
Closing stock	-		(33,226)	
		<u>597,694</u>		<u>413,627</u>
Gross profit		295,553		238,085
Other income management charge		68,000		-
Less overheads				
Wages and salaries	234,610		158,332	
Social security costs	20,957		17,654	
Pension scheme contributions	1,232		2,846	
Travelling and subsistence	15,092		25,740	
Entertaining	610		-	
Motor expenses	37,742		28,955	
Telephone and fax	21,383		25,493	
Printing postage and stationery	18,640		11,102	
Subscriptions and donations	1,605		834	
Subcontractors	-		5,987	
Advertising and Exhibition costs	19,761		18,691	
Loose tools and consumables	7,920		4,508	
Hire of equipment	-		113	
Heating and lighting	1,753		697	
Repairs and renewals	3,278		4,213	
Property insurances	-		1,029	
Rent and rates	47,247		14,548	
Sundry expenses	11,757		14,152	
Moving and accommodation expenses	-		3,392	
Staff training	6,791		4,170	
Bank charges and interest	-		7,017	
VAT/PAYE surcharges	22,983		-	
Bank charges	7,509		-	
Bad debts	-		(3,824)	
Legal fees	1,076		1,145	
Accountants' fees	2,710		3,068	
Amortisation of patents and licences	28,103		12,169	
Depreciation motor vehicles	-		-	
Depreciation equipment	9,319		10,733	
Insurances	3,405		-	
		<u>525,483</u>		<u>372,764</u>
Net loss for the year		<u>(161,930)</u>		<u>(134,679)</u>

EUROTEST ENVIRONMENTAL TECHNOLOGY LIMITED

BALANCE SHEET

at 31st December 1998

	Note	1998		1997	
		£	£	£	£
Fixed assets					
Intangible assets	3		194,690		222,793
Tangible assets	4		38,368		42,794
			<u>233,058</u>		<u>265,587</u>
Current assets					
Stocks	5	-		33,226	
Debtors	6	114,963		80,386	
Cash at bank and in hand		6,126		223	
			<u>121,089</u>	<u>113,835</u>	
Creditors: amounts falling due within one year	7	926,467		(813,145)	
			<u>(803,378)</u>	<u>(699,310)</u>	
Net current liabilities					
			(803,378)	(699,310)	
Total assets less current liabilities			<u>(570,320)</u>	<u>(433,723)</u>	
Creditors: amounts falling due after one year	8		(23,333)	-	
			<u>(593,653)</u>	<u>(433,723)</u>	
Net assets					
			<u>(593,653)</u>	<u>(433,723)</u>	
Called up share capital			328	328	
Profit and loss account	9		(595,981)	(434,051)	
			<u>(595,653)</u>	<u>(433,723)</u>	
Total shareholders' funds					
			<u>(595,653)</u>	<u>(433,723)</u>	

These accounts were approved by the Board of Directors



 Director



 Dated

EUROTEST ENVIRONMENTAL TECHNOLOGY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

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 conferred by Financial Reporting Standard No. 1 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.

Depreciation

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

Leases and hire purchase contracts

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

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

2 Turnover

In the opinion of the directors, none of the turnover of the company is attributable to geographical markets outside the UK. (1996 nil)

EUROTEST ENVIRONMENTAL TECHNOLOGY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

3 Intangible fixed assets

	Gauge Start Up Expenses £	Licence Agreement £	Total £
Cost			
1st January 1998 and 31st December 1998	<u>57,097</u>	<u>177,865</u>	<u>234,962</u>
Amortisation			
1st January 1998	-	12,169	12,169
Charge for year	<u>15,934</u>	<u>12,169</u>	<u>28,103</u>
31st December 1998	<u>15,934</u>	<u>24,338</u>	<u>40,272</u>
Net book amount			
31st December 1997	<u>57,097</u>	<u>165,696</u>	<u>222,793</u>
31 st December 1998	<u>41,163</u>	<u>153,527</u>	<u>194,690</u>

4 Tangible fixed assets

	Van Equipment £	Warehouse Equipment £	Office Equipment & Office Improvements £	Total £
Cost				
1st January 1998	48,208	8,191	64,049	120,448
Additions	1,196	2,454	5,107	8,757
Disposals	-	-	(394)	(394)
31st December 1998	<u>49,404</u>	<u>10,645</u>	<u>68,762</u>	<u>128,811</u>
Depreciation				
1st January 1998	37,979	8,191	31,484	77,654
Charge for Year	<u>2,856</u>	<u>614</u>	<u>9,319</u>	<u>12,789</u>
31st December 1998	<u>40,835</u>	<u>8,805</u>	<u>40,803</u>	<u>90,443</u>
Net book amount				
31st December 1997	<u>10,229</u>	<u>-</u>	<u>32,565</u>	<u>42,794</u>
31 st December 1998	<u>8,569</u>	<u>1,840</u>	<u>27,959</u>	<u>38,368</u>

EUROTEST ENVIRONMENTAL TECHNOLOGY LIMITED

NOTES ON FINANCIAL STATEMENTS

31st December 1998

5 Stocks

1998	1997
£	£

Stocks	-	33,226
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6 Debtors

1998	1997
£	£

Amounts falling due within one year

Trade debtors	34,168	6,502
Other debtors	209	51,431
Prepayments	80,586	22,453
	<u>114,963</u>	<u>80,386</u>

7 Creditors: amounts falling due within one year

1997	1996
£	£

Bank loans and overdrafts	11,667	42,471
Trade creditors	62,779	78,700
Other taxation and social security	79,575	14,281
Other creditors	770,209	677,693
Accruals	2,237	-
	<u>926,467</u>	<u>813,145</u>

8 Creditors: amounts falling due over one year

1998	1997
£	£

Bank loan	23,333	-
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9 Profit and loss account

1998
£

1st January 1997	(434,051)
Retained loss for the Year	(161,930)
31st December 1997	<u>(595,981)</u>