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TUMMELTECH LIMITED

Company Number 132743

ACCOUNTS

FOR YEAR ENDED 31ST DECEMBER, 1998



IAM.

Murray and Henderson
Chartered Accountants
13 William Street
GREENOCK

DIRECTORS' REPORT

The Directors of the Company submit their Annual Report and Accounts for the year ended 31st December, 1998.

DIRECTORS' RESPONSIBILITIES

Company law requires the Directors to prepare Accounts for each financial period which give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for the period. In preparing these Accounts the Directors are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, follow applicable accounting standards, and prepare the Accounts on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that Accounts comply with the Companies Act, 1985. 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.

DIRECTORS

- (a) Throughout the financial year the Directors and their interests in the shares of the Company were -

| | <u>1998</u> | <u>1997</u> |
|----------------|-------------|-------------|
| A.J. Shaw | 2 | 2 |
| Joanne S. Shaw | 2 | 2 |

- (b) In terms of the Articles of Association of the Company, neither Director retires from the Board.

RESULTS

The attached Profit and Loss Account shows the trading results for the year.

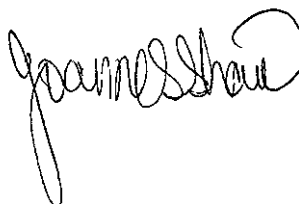
ACTIVITIES OF THE COMPANY

The main activity of the Company is that of Consultant Engineers.

This Report has been prepared taking advantage of special exemptions applicable to small companies.

By Order of the Board,

Joanne S. Shaw



Secretary.

CLYDEBANK, 17th March, 1999.

PROFIT AND LOSS ACCOUNT

FOR YEAR ENDED 31ST DECEMBER, 1998

| | <u>Notes</u> | <u>1998</u> | <u>1997</u> |
|--|--------------|-------------|-------------|
| | | £ | £ |
| Turnover | 2 | 69,742 | 19,829 |
| Administrative Expenses | | 23,547 | 15,443 |
| | | _____ | _____ |
| Profit on Ordinary Activities before Taxation | | 46,195 | 4,386 |
| Tax on Profit on Ordinary Activities | 4 | 9,685 | 865 |
| | | _____ | _____ |
| Retained Profit on Ordinary Activities after Taxation | | 36,510 | 3,521 |
| Dividend | | 33,050 | 6,130 |
| | | _____ | _____ |
| | | 3,460 | (2,609) |
| Balance brought forward | | (4,351) | (1,742) |
| | | _____ | _____ |
| Balance carried forward | | 891 | (4,351) |
| | | ===== | ===== |

BALANCE SHEET
AS AT 31ST DECEMBER, 1998

| | <u>1998</u> £ | <u>1997</u> £ |
|---|------------------|------------------|
| FIXED ASSETS | | |
| Tangible Assets | 613 | 850 |
| CURRENT ASSETS | | |
| Debtors | 6,910 | 1,927 |
| Bank | 3,054 | (401) |
| | <u>9,964</u> | <u>1,526</u> |
| CREDITORS - Amounts falling due within one year | 10,344 | 4,763 |
| NET CURRENT ASSETS/(LIABILITIES) | <u>(380)</u> | <u>(3,237)</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | 233 | (2,387) |
| CREDITORS - Amounts falling due after more than one year | 1,120 | 1,960 |
| | <u>(887)</u> | <u>(4,347)</u> |
| Represented By: | | |
| SHARE CAPITAL | 4 | 4 |
| PROFIT AND LOSS ACCOUNT | (891) | (4,351) |
| | <u>(887)</u> | <u>(4,347)</u> |
| SHAREHOLDERS' FUNDS | | |

In approving these financial statements as Directors of the Company we hereby confirm:

- a/ that for the year in question the Company was entitled to the exemption conferred by section 249A(1) of the Companies Act, 1985;
- b/ that no notice has been deposited at the registered office of the Company pursuant to section 249B(2) requesting that an audit be conducted for the year ended 31st December, 1998 ; and
- c/ that we acknowledge our responsibilities for:
 - (i) ensuring that the Company keeps accounting records which comply with section 221, and
 - (ii) 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 for the year then ended and which otherwise comply with the provisions of the Companies Act relating to accounts, so far as applicable to the Company.

In preparing these accounts the Directors have taken advantage of the exemptions conferred by Section A of Part I of Schedule 8 to the Companies Act, 1985 and have done so on the basis that, in their opinion, the Company satisfies the criteria for exemption as a small Company.

The accounts were approved by the Board of Directors on 17th March, 1999.

Alan J. Shaw - Director.



NOTES TO THE ACCOUNTS

FOR YEAR ENDED 31ST DECEMBER, 1998

1/ ACCOUNTING POLICIES

The following Accounting Policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts.

a) Basis of Accounting

The accounts have been prepared under the Historical Cost Convention.

b) Depreciation

Depreciation has been provided on tangible fixed assets using the reducing balance method in order to write them off over their anticipated useful lives.

2/ TURNOVER

Turnover represents the invoiced amount of services provided exclusive of Value Added Tax, and relates wholly to the United Kingdom.

3/ OPERATING PROFIT

This is stated after charging :

| | <u>1998</u> | <u>1997</u> |
|-------------------------|-------------------|-------------------|
| | £ | £ |
| Directors' Remuneration | 11,592 | 6,288 |
| Depreciation | 237 | 509 |
| | <u> </u> | <u> </u> |

4/ TAXATION

| | <u>1998</u> | <u>1997</u> |
|---|-------------------|-------------------|
| | £ | £ |
| Taxation based on Profit for the year at 21% | 9,685 | 865 |
| | <u> </u> | <u> </u> |

5/ TANGIBLE FIXED ASSETS/

5/ TANGIBLE FIXED ASSETS

| | <u>Computer</u> |
|------------------------|-------------------|
| | £ |
| At 1/1/98 | 1,139 |
| | <u> </u> |
| <u>Depreciation</u> | |
| At 1/1/98 | 289 |
| Charged in Year | 237 |
| | <u> </u> |
| | 526 |
| | <u> </u> |
| <u>Net Book Values</u> | |
| As at 31/12/98 | 613 |
| | <u> </u> |
| As at 31/12/97 | 850 |
| | <u> </u> |

6/ CREDITORS - (Amounts falling due within one year)

| | <u>1998</u> | <u>1997</u> |
|--------------------------------------|-------------------|-------------------|
| | £ | £ |
| Loan Creditor | 840 | 840 |
| Corporation Tax | 4,386 | 90 |
| Other Taxes | 4,313 | 1,478 |
| Other Creditors | 805 | 2,355 |
| | <u> </u> | <u> </u> |
| | 10,344 | 4,763 |
| | <u> </u> | <u> </u> |
| (Amounts falling due after one year) | | |
| Loan Creditor | 1,120 | 1,960 |
| | <u> </u> | <u> </u> |

7/ DEBTORS/

| | <u>1998</u> | <u>1997</u> |
|---|--------------|--------------|
| | £ | £ |
| 7/ DEBTORS | | |
| Directors' Loan Account | 4,390 | 1,927 |
| Trade Debtors | 2,520 | - |
| | <u>6,910</u> | <u>1,927</u> |
| | <u>6,910</u> | <u>1,927</u> |
| 8/ SHARE CAPITAL | | |
| Authorised Ordinary Shares of £1 each | 100 | 100 |
| | <u>100</u> | <u>100</u> |
| Issued and Fully Paid Ordinary Shares of £1 each | 4 | 4 |
| | <u>4</u> | <u>4</u> |
| | <u>4</u> | <u>4</u> |
| 9/ INTEREST PAYABLE | | |
| Loan Interest | 333 | 332 |
| Hire Purchase Interest | - | 365 |
| | <u>333</u> | <u>697</u> |
| | <u>333</u> | <u>697</u> |