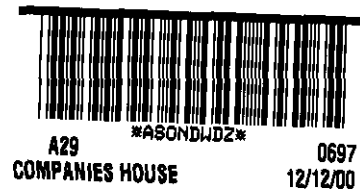


THE CONDENSATION SHOP LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH 2000



T.J.Rider & Co,
Chartered Accountant,
36 Oaken Lane,
Claygate, Esher,
Surrey. KT10 0RG.

Registration number 2875830

THE CONDENSATION SHOP LIMITED

DIRECTORS REPORT FOR THE YEAR ENDED 31ST MARCH 2000

The directors present their report and the financial statements for the year ended 31st March 2000

Statement of 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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on a 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 the financial statements 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.

Principle Activities

The company's principal activity continues to be the supply of domestic condensation control products.

Directors

The directors at 31st March 2000 and their interests in the share capital of the company were as follows:

C.A.Bennett	25
Mrs B.A.Bennett	25
W.H.Bennett	50

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part V11 of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities. The report was approved by the Board 1 December 2000 and signed on its behalf.

Director
C.A.Bennett



THE CONDENSATION SHOP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2000

			1999
	£	£	£
Turnover		198,840	194,257
Cost of sales		<u>119,116</u>	<u>113,434</u>
Gross Profit		79,724	<u>80,823</u>
Selling and distribution costs	1,388		5,878
Administrative expenses	<u>74,637</u>		<u>74,819</u>
		<u>76,025</u>	<u>80,697</u>
Operating Profit		3,699	<u>126</u>
Interest receivable	(67)		(33)
Interest payable	<u>4,162</u>		<u>4,254</u>
		<u>4,095</u>	<u>4,221</u>
(Loss) Profit on ordinary activities before & after taxation		(396)	(4,095)
Retained Loss Brought Forward		<u>(27,268)</u>	<u>(23,173)</u>
Retained Loss Carried Forward		<u>(27,664)</u>	<u>(27,268)</u>

The notes on page 5 form part of these financial statements.

THE CONDENSATION SHOP LIMITED
BALANCE SHEET AS AT 31ST MARCH 2000

	1999	
	£	£
Fixed Assets		
Tangible assets (Note 2)	7,310	<u>9,464</u>
Intangible asset (Note 3)	10,000	15,000
Current Assets		
Stock	8,510	6,641
Trade debtors	31,005	33,758
Cash at bank	<u>10,568</u>	<u>(3,245)</u>
	<u>50,083</u>	<u>37,154</u>
Current Liabilities		
Creditors: Amounts falling due within one year		
Trade creditors & accruals	44,795	47,998
Other creditors including taxation	971	1,089
Bank loan	30,803	31,531
Directors' loan	<u>7,668</u>	<u>8,168</u>
	<u>84,237</u>	<u>88,786</u>
Net Current Assets	<u>(34,154)</u>	<u>(51,632)</u>
	(16,844)	(27,168)
Creditors: amounts falling due after more than one year	<u>10,856</u>	—
Total assets less current liabilities	<u>(27,700)</u>	<u>(27,168)</u>
Capital & Reserves		
Called up share capital (Note 4)	100	100
Profit & loss account	<u>(27,664)</u>	<u>(27,268)</u>
	<u>(27,564)</u>	<u>(27,168)</u>

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies and in accordance with the Financial Reporting Standard for Smaller Entities.

The exemption conferred by section 249A(1) of the Companies Act 1985 not to have these accounts audited applies to the company and the directors confirm that no notice has been deposited under sec 249B(2).

The Directors' acknowledge their responsibility for ensuring that:

- i) the company keeps accounting records which comply with section 221 of the Companies Act 1985 and
- ii) the accounts give a true and fair view of the company as at 31st March 2000 in accordance with the requirements of sec 226 and which otherwise comply with the requirements of the Companies Act 1985 relating to the accounts so far as is applicable to the Company.

These accounts were approved by the board 1 December 2000 and signed on its behalf

C.A.Bennett - Director

A handwritten signature in black ink, appearing to read 'C.A. Bennett', with a long horizontal stroke extending to the right.

1 December 2000

The notes on page 5 form part of these accounts.

THE CONDENSATION SHOP LIMITED

NOTES TO THE ACCOUNTS AT 31ST MARCH 2000

1 Accounting Policies

- a) Basis of accounting - These accounts have been prepared under the historic cost convention.
- b) Turnover - Turnover represents net invoiced sale of goods, excluding value added tax.
- c) Stock is valued at the lower of cost and net realisable value.
- d) Deferred taxation - There is no deferred tax liability required.
- e) Tangible fixed assets - Depreciation is provided at 25% of the written down value in order to write off each asset over its estimated useful life:

2 Tangible Fixed Assets

	Motor Car	Office Furniture & Equipment	Total
Cost	£	£	£
Cost brought forward	10,995	2,652	13,647
Addition	<u> </u>	<u>283</u>	<u>283</u>
	<u>10,995</u>	<u>2,935</u>	<u>13,930</u>
Depreciation			
Brought forward	2,749	1,434	4,183
Charge for the year	<u>2,062</u>	<u>375</u>	<u>2,437</u>
	<u>4,811</u>	<u>1,809</u>	<u>6,620</u>
	<u>6,184</u>	<u>1,126</u>	<u>7,310</u>
Net Book Value at 31.3.99	8,246	1,218	9,464

3 **Intangible Asset:** Development cost representing a fee of £25,000 paid for an agreement to the right to act as the sole distributors of a certain product for five years. This will be written off to the profit and loss account over the period of the agreement and £5,000 has been written off in these accounts.

4 Share Capital

The authorised share capital is 5,000 ordinary shares of £1 each.