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CONSALLEN GROUP SALES LIMITED

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 1997**

Registered Office:

Consallen Group Sales Ltd
P.O. Box 2993
Sudbury
Suffolk, CO10 0TY



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CONSALLEN GROUP SALES LIMITED

COMPANY INFORMATION

Directors:

D V Allen

R J Allen

J N M Allen

Secretary:

R J Allen

Registered Office:

P O Box 2993
Sudbury
Suffolk, CO10 0TY

Registered Number

1970774

Report of the Directors

The Directors present their report with the financial statements of the Company for the year ended 31 March 1997

Principal Activity

The principal activity of the Company in the year under review was that of development and manufacture of water pumps.

Review of Business

The results for the year and the financial position of the Company are as shown in the annexed financial statements.

Dividend and Transfer to Reserves

No Dividends will be distributed for the year ended 31 March 1997.

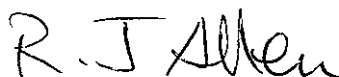
There are retained losses in the Company at the year end which the Directors are confident will be reversed with future trading. Current year results indicate that this has been achieved. The Directors recommend that the deficits be added together (£20,305) and carried forward.

DIRECTORS

<u>Name</u>	<u>Class of Capital</u>	<u>31/3/97</u>	<u>31/3/96</u>
D.V.Allen	Ordinary £1	1	1
R.J.Allen	Ordinary £1	1	1
J.N.M.Allen		-	-

In preparing this report the Directors have taken advantage of special exemptions applicable to small companies conferred by Part II of Schedule 8 to the Companies Act 1985.

ON BEHALF OF THE BOARD



Mrs R.J.Allen - Secretary
25th January 1998

**Profit & Loss Account for Consallen Group Sales Limited
for the Year Ended 31 March 1997**

	Notes	1997		1996	
		£	£	£	£
TURNOVER	2		89,460		59,919
Cost of Sales			<u>(43,001)</u>		<u>(28,433)</u>
GROSS PROFIT			46,459		31,486
Distribution Costs			1,854		1,781
Administrative Expenses			<u>49,351</u>		<u>29,002</u>
OPERATING PROFIT/(LOSS)	3		(4,746)		703
Interest Receivable	4		47		-
Interest Payable and Other Charges			(100)		(961)
PROFIT / (LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION			(4,799)		(258)
Tax on Profit on Ordinary Activities	5		-		
PROFIT / (LOSS) FOR THE FINANCIAL YEAR AFTER TAXATION			<u>(4,799)</u>		<u>(258)</u>
Loss Brought Forward			(15,506)		(15,248)
Retained Profit/(Loss)			<u>(4,799)</u>		<u>(258)</u>
PROFIT/(LOSS) CARRIED FORWARD			<u><u>(20,305)</u></u>		<u><u>(15,506)</u></u>

CONTINUING OPERATIONS

None of the Company's activities were acquired during the current or previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The Company had no recognised gains or losses other than those stated for the current and previous years.

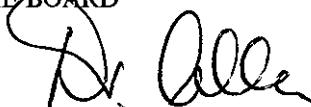
The notes form part of these Financial Statements.

Balance Sheet for Consallen Group Sales Limited
as at 31 March 1997

	Notes	1997		1996	
		£	£	£	£
FIXED ASSETS					
Tangible Assets	6		1,585		2,113
CURRENT ASSETS					
Stock and work in progress	7		1,000		492
Debtors & other prepayments	8		7,989		785
Cash at bank and in hand			<u>16,605</u>		<u>6,247</u>
			25,594		7,524
CREDITORS					
Trade Creditors			(3,964)		(1,423)
Bank Loans & overdrafts			-		-
Other creditors & accruals			(43,518)		(23,718)
			(47,482)		(25,141)
NET CURRENT LIABILITIES					
			<u>(21,888)</u>		<u>(17,617)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES					
			<u>(20,303)</u>		<u>(15,504)</u>
CAPITAL AND RESERVES					
Called up share capital	10		2		2
Profit and Loss Account			(20,305)		(15,506)
Share Holders Funds					
			<u>(20,303)</u>		<u>(15,504)</u>

1. The Company is entitled to exemption from audit under subsection (1) of section 249a of the Companies Act 1985 for the year ending 31 March 1997.
2. No notice form members requiring an audit has been deposited under section 249b(2) of the Companies Act 1985.
3. The Directors acknowledge their responsibility for:
 - (a) Ensuring the Company keeps accounting records which comply with section 221, and:
 - (b) 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 Companies Act relating to accounts, so far as applicable to the company.
 - (c) In preparing these financial statements the Directors have relied upon the exemptions of individual accounts provided by section 246 and they have done so on the grounds that the Company is entitled to those exceptions as a small company.

ON BEHALF OF THE BOARD



D.V. Allen, Chairman / Director
Approved by the Board on 26 January 1998

Notes to the Financial Statements
for the year ended 31 March 1997

1. Accounting Policies

Accounting Convention

The financial statements have been prepared under the Historical Cost Convention.

Exemption has been taken from preparing a cash flow statement on the grounds that the Company qualifies as a small company.

Turnover

Turnover represents net invoices sale of goods, excluding Value Added Tax.

Tangible Fixed Assets

Depreciation provided for at the following annual rates in order to write off each asset over its estimated useful life.

Plant & Machinery at 25% on a reducing balance basis.

Stocks

Stocks & Work in progress are valued at the lower of cost and net realisable value.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred Taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the Directors, there is reasonable probability that the liability will not arise in the foreseeable future.

2. Turnover

The turnover and Profit / (Loss) before taxation are attributable to the principal activity of the Company.

3. Operating Profit (loss)

The operating loss is stated after charging:

	1997	1996
	£	£
Hire of plant and machinery	383	525
Operating Leases	-	-
Depreciation of owned assets	528	704

Notes to the Financial Statements
for the year ended 31 March 1997

4.	Interest receivable	1997 £	1996 £
	Deposit Account Interest	47	-
5.	Taxation		
	No liability to UK Corporation Tax arose on ordinary activities for the year ended 31 March 1997.		
6.	Tangible Fixed Assets	1997 £	
	<u>Cost:</u>		
	As at 1 April 1996	7,257	
	Additions	-	
	As at 31 March 1997	<u>7,257</u>	
	<u>Depreciation:</u>		
	As at 1 April 1996	5,144	
	Charge for the year	528	
	As at 31 March 1997	<u>5,672</u>	
	<u>Net Book Value:</u>		
	As at 31 March 1997	<u>1,585</u>	
	As at 31 March 1996	<u>2,113</u>	
7.	Stocks	1997 £	1996 £
	Stock and Work in Progress	1,000	492
8.	Debtors: Amounts Falling Due Within One Year	1997 £	1996 £
	Other Debtors	<u>7,989</u>	<u>785</u>

Notes to the Financial Statements
for the year ended 31 March 1997

9.	Creditors: Amounts Falling Due Within One Year		1997 £	1996 £
	Trade Creditors		3,964	1,423
	Directors Current Accounts		4,354	4,354
	Bank Loans & Overdrafts		-	-
	Sundry Creditors & Accruals		39,164	19,364
	Loan Account			
			<u>47,482</u>	<u>25,141</u>
10.	Called Up Share Capital	Nominal Value:	1997 £	1996 £
	Authorised:			
	Number: Class:	100	100	100
	100 Ordinary	£1	<u>2</u>	<u>2</u>
11.	Reconciliation of Movement of Shareholders' Funds		1997 £	1996 £
	Profit / (Loss) for the Financial Year		(4,799)	(258)
	Net Addition to Shareholders Funds		(4,799)	(258)
	Opening Shareholders Funds		(15,504)	(15,246)
	Closing Shareholders Funds		<u>(20,303)</u>	<u>(15,504)</u>
	Equity Interests		<u>(20,303)</u>	<u>(15,504)</u>

Consallen Group Sales Limited
Trading Profit & Loss Account for the Year Ending 31 March 1997

	<u>1997</u>	<u>1996</u>
	£	£
Sales	89,460	59,919
Cost of Sales:		
Opening Stock /WIP	492	600
Purchases	36,228	17,348
Wages & Subcontractors	7,281	10,978
	<hr/> 44,001	<hr/> 28,926
Closing Stock / WIP	(1,000)	(492)
	<hr/> 43,001	<hr/> 28,434
Gross Profit	46,459	31,486
Other Income:		
Deposit Account Interest	<hr/> -	<hr/> -
	46,459	31,486
Overheads:		
Salary & Drawings	27,859	11,092
NI	2,856	3,792
Freight, Carriage & Storage	1,854	1,781
Pensions	-	-
Telephone & Telex	1,440	1,139
Postage & Stationary, Printing	799	322
Travel & Subsistance	3,672	2,237
Hire of Equipment	383	525
Repairs & Maintenance	1,417	56
Sundry Expenses staff exp & Training	4,437	4,475
Auditors Remuneration	-	-
Accountancy	1,489	28
Advertising	-	-
Rent, Rates & Water	3,605	3,531
Insurance	11	294
Heat & Light	582	807
Bank Interest	(47)	766
Bank Charges	100	195
Depreciation	528	704
Research & Development	274	-
	<hr/> 51,258	<hr/> 31,744
Net Profit	<hr/> (4,799)	<hr/> (258)

This page does not form part of the financial statements.