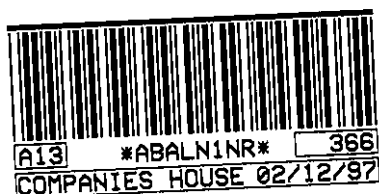


**DOPOWER LIMITED**  
**FINANCIAL STATEMENTS**  
**31 AUGUST 1996**

**Registered number: 2637105**



**Kidsons Impey**  
**Chartered Accountants**  
**Liverpool**

**DOPOWER LIMITED**  
**FINANCIAL STATEMENTS**  
**for the year ended 31 August 1996**

**CONTENTS**

	Page
Company information	1
Directors' report	2
Statement of directors' responsibilities	3
Auditors' report	4
Profit and loss account	5
Balance sheet	6
Notes	7-9

**The following page does not form part of the statutory accounts**

Detailed trading and profit and loss account	Appendix 1
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**DOPOWER LIMITED**  
**COMPANY INFORMATION**

**31 August 1996**

Incorporated in England and Wales on 12 August 1991

**Number** 2637105

**Directors** J G C Jackson  
Mrs J M MacPherson  
Mrs A G L Wemyss  
Miss J M Jackson  
R H Jackson  
G L Jackson

**Secretary** G L Jackson

**Registered Office** Number One Old Hall Street  
Liverpool  
L3 9SX

**Auditors** Kidsons Impey  
Chartered Accountants  
Number One Old Hall Street  
Liverpool  
L3 9SX

**DOPOWER LIMITED****DIRECTORS' REPORT****31 August 1996**

The directors present their report and the audited financial statements for the year ended 31st August 1996.

**Principal activity**

The principal activity of the company was the generation of electricity.

**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 August 1996 Ordinary shares	1 September 1995 Ordinary shares
J G C Jackson	6	6
Mrs J M MacPherson	4	4
Mrs A G L Wemyss	8	8
Miss J M Jackson	24	24
R H Jackson	24	24
G L Jackson	8	8

**Auditors**

Hodgson Morris merged their practice with Kidsons Impey on 1 May 1996 and now practice in the name of Kidsons Impey. Accordingly they have signed their audit report in their new name.

The Company has elected to dispense with the annual appointment of auditors. In the absence of a specific resolution to the contrary Kidsons Impey will continue in office.

**Small Company exemptions**

Advantage has been taken in the preparation of this report of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

On behalf of the board



G L Jackson  
Secretary

28/11/97

Number One Old Hall Street  
Liverpool  
L3 9SX

## DOPOWER LIMITED

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

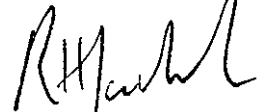
We are required under company law to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those financial statements we are required to:

- select suitable accounting policies and apply them consistently;
- make reasonable and prudent judgements and estimates;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

We are also responsible for:

- keeping proper accounting records;
- safeguarding the company's assets;
- taking reasonable steps for the prevention and detection of fraud.

On behalf of the board



R H Jackson  
Director

25/11/97

**DOPOWER LIMITED****AUDITORS' REPORT**

**to the members of Dopower limited**

We have audited the financial statements on pages 5 to 9 which have been prepared under the accounting policies set out on page 7.

**Respective responsibilities of directors and auditors**

As described on page 3, the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

**Basis of opinion**

We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

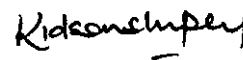
We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**Going concern**

In forming our opinion, we have considered the accuracy of the disclosures made in note 1 of the financial statements concerning the reliance on the support of the company's bank and connected parties and the uncertainty over the ability of the company to continue trading if such support is withdrawn. In view of the significance of this uncertainty, we consider that it should be drawn to your attention, but our opinion is not qualified in this respect.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 1996 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.



Liverpool  
26 November 1997

Chartered Accountants

## DOPOWER LIMITED

## PROFIT AND LOSS ACCOUNT

for the year ended 31 August 1996

	Note	1996 £	1995 £
Turnover	2	4,504	-
Net operating expenses			
Administrative expenses		(26,299)	(2,213)
Operating loss		(21,795)	(2,213)
Interest payable	4	(23,440)	(13,886)
Loss on ordinary activities before taxation		(45,235)	(16,099)
Taxation		-	-
Retained loss for the year	11	(45,235)	(16,099)

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 are no recognised gains and losses in 1996 or 1995 other than the loss for the year.

## DOPOWER LIMITED

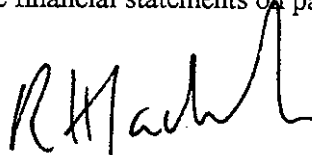
## BALANCE SHEET

at 31 August 1996

	Note	£	1996 £	£	1995 £
<b>Fixed assets</b>					
Tangible assets	5		137,047		119,353
<b>Current assets</b>					
Debtors	6	2,107		2,630	
Cash at bank and in hand		-		268	
			<u>2,107</u>	<u>2,898</u>	
<b>Creditors: amounts falling due within one year</b>	7	(16,413)		(775)	
<b>Net current (liabilities)/assets</b>			<u>(14,306)</u>		<u>2,123</u>
<b>Total assets less current liabilities</b>			<u>122,741</u>		<u>121,476</u>
<b>Creditors: amounts falling due after more than one year</b>	8		<u>(225,911)</u>		<u>(179,411)</u>
<b>Net liabilities</b>			<u>(103,170)</u>		<u>(57,935)</u>
<b>Capital and reserves</b>					
Called up share capital	9		144		144
Profit and loss account	10		<u>(103,314)</u>		<u>(58,079)</u>
<b>Total shareholders' funds</b>	11		<u>(103,170)</u>		<u>(57,935)</u>

The directors have taken advantage in the preparation of these financial statements of special exemptions provided by Part I of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

The financial statements on pages 5 to 9 were approved by the board of directors on 08/11/97.

  
R H Jackson  
Director



**DOPOWER LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

31 August 1996

**1 Accounting policies**

**Basis of accounting**

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost accounting rules.

The company meets its day to day working capital requirements through an overdraft facility which is repayable on demand. In addition, the company is reliant on the support of the bank in the form of a loan, together with loans from connected parties.

**Cashflow statement**

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 is entitled to the exemptions available in Sections 246 to 247 of the Companies Act 1985 for small companies.

**Depreciation**

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                      5% on cost per annum

**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**

Turnover represents the amounts derived from the provision of goods and services which fall within the company's ordinary activities, entirely within the United Kingdom, stated net of value added tax.

<b>3 Operating loss</b>	<b>1996</b>	<b>1995</b>
Operating loss is stated after charging	£	£
Auditors remuneration	1,250	-
Depreciation - owned assets	7,213	-
	<hr/>	<hr/>
<b>4 Interest payable</b>	<b>1996</b>	<b>1995</b>
	£	£
Interest payable	23,440	13,886
	<hr/>	<hr/>

**DOPOWER LIMITED**  
**NOTES ON FINANCIAL STATEMENTS**

31 August 1996

5	<b>Tangible fixed assets</b>		
	<b>Cost</b>		<b>Plant</b>
			<b>£</b>
	1 September 1995		119,353
	Additions		24,907
			<hr/>
	31st August 1996		144,260
			<hr/>
	<b>Depreciation</b>		
	1 September 1995		-
	Charge for year		7,213
			<hr/>
	31 August 1996		7,213
			<hr/>
	<b>Net book amount</b>		
	31 August 1996		137,047
			<hr/>
	1 September 1995		119,353
			<hr/>
6	<b>Debtors</b>		
		<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year</b>		
	Trade debtors	1,590	-
	Other debtors	517	2,630
		<hr/>	<hr/>
		2,107	2,630
		<hr/>	<hr/>
7	<b>Creditors: amounts falling due within one year</b>		
		<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdraft	5,656	-
	Trade creditors	468	-
	Other creditors	4,928	-
	Accruals and deferred income	5,361	775
		<hr/>	<hr/>
		16,413	775
		<hr/>	<hr/>
8	<b>Creditors: amounts falling due after more than one year</b>		
		<b>1996</b>	<b>1995</b>
		<b>£</b>	<b>£</b>
	Bank loans and overdraft	190,000	160,000
	Other loans	35,911	19,411
		<hr/>	<hr/>
		225,911	179,411
		<hr/>	<hr/>

The bank loans are secured over the freehold land comprising of 704 acres known as Dolanog Estate.

**Maturity of debt included above**

In two to five years	225,911	179,411
	<hr/>	<hr/>

## DOPOWER LIMITED

## NOTES ON FINANCIAL STATEMENTS

31 August 1996

## 9 Called up equity share capital

	1996		1995	
	Number of shares	£	Number of shares	£
<b>Authorised</b>				
Ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
<b>Allotted called up and fully paid</b>				
Ordinary shares of £1 each	<u>144</u>	<u>144</u>	<u>144</u>	<u>144</u>

## 10 Profit and loss account

	1996 £
1 September 1995	(58,079)
Retained loss for the year	<u>(45,235)</u>
31 August 1996	<u>(103,314)</u>

## 11 Reconciliation of movements in shareholders' funds

	1996 £	1995 £
Loss for the financial year	(45,235)	(16,099)
New share capital subscribed	<u>-</u>	<u>144</u>
Net reduction in shareholders' funds	(45,235)	(15,955)
Opening shareholders' funds	<u>(57,935)</u>	<u>(41,980)</u>
Closing shareholders' funds	<u>(103,170)</u>	<u>(57,935)</u>

## 12 Post balance sheet events

On 3 April 1997 the authorised equity share capital was increased to £500,000 by the creation of £499,000 ordinary shares of £1 each to rank pari passu with the existing ordinary shares.

On 3 April 1997 and 13 May 1997 the issued equity share capital was increased by £42,000 and £249,000 respectively by the issue and allotment of 42,000 and 249,000 ordinary shares of £1 each, fully paid.

The purpose of the increases in share capital was to strengthen the capital base of the company and to provide working capital.