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**Report of the Directors and
Financial Statements
for the Year Ended 31 July 2004
for
Ewbank Products Limited**



Ewbank Products Limited

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for the Year Ended 31 July 2004**

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Ewbank Products Limited
Company Information
for the Year Ended 31 July 2004

DIRECTORS:

J N Baseley
K Pavia
T G Hopper

SECRETARY:

K Pavia

REGISTERED OFFICE:

Earlex House
Moorfield Road
Slyfield Industrial Estate
Guildford
Surrey
GU1 1RU

REGISTERED NUMBER:

03312633

AUDITORS:

Roffe Swayne
Registered Auditors &
Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming, Surrey
GU7 1LQ

Ewbank Products Limited

Report of the Directors for the Year Ended 31 July 2004

The directors present their report with the financial statements of the company for the year ended 31 July 2004.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of non electrical floorcare.

DIRECTORS

The directors during the year under review were:

J N Baseley
K Pavia

The directors holding office at 31 July 2004 did not hold any beneficial interest in the issued share capital of the company at 1 August 2003 or 31 July 2004.

The interests of J N Baseley and K Pavia in the shares of the parent company, Earlex Limited, are shown in the financial statements of that company.

T G Hopper was appointed as a director on 14 September 2004.

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 then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements 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 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.

AUDITORS

The auditors, Roffe Swayne, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

This report has been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

ON BEHALF OF THE BOARD:



.....
K Pavia - Director

Date:

11th April 2005

**Report of the Independent Auditors to the Shareholders of
Ewbank Products Limited**

We have audited the financial statements of Ewbank Products Limited for the year ended 31 July 2004 on pages four to eleven. These financial statements have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002), under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditors

As described on page two the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion

We conducted our audit in accordance with United Kingdom 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 other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 July 2004 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Roffe Swayne
Registered Auditors &
Chartered Accountants
Ashcombe Court
Woolsack Way
Godalming, Surrey
GU7 1LQ

Roffe Swayne

Date: 20 April 2005

Ewbank Products Limited
Profit and Loss Account
for the Year Ended 31 July 2004

		Year Ended 31.7.04	Period 1.4.02 to 31.7.03
	Notes	£	£
TURNOVER		2,682,334	3,006,205
Cost of sales		1,970,970	2,038,178
GROSS PROFIT		711,364	968,027
Administrative expenses		734,968	718,027
		(23,604)	250,000
Other operating income		-	707
OPERATING (LOSS)/PROFIT	2	(23,604)	250,707
Interest receivable and similar income		3,374	1,456
		(20,230)	252,163
Interest payable and similar charges		-	1,281
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		(20,230)	250,882
Tax on (loss)/profit on ordinary activities	3	-	56,755
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		(20,230)	194,127
Dividends	4	-	90,000
		(20,230)	104,127
Retained profit/(deficit) brought forward		69,553	(34,574)
RETAINED PROFIT CARRIED FORWARD		£49,323	£69,553

The notes form part of these financial statements

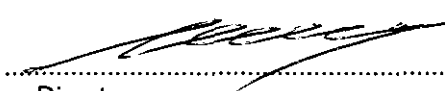
Ewbank Products Limited

Balance Sheet
31 July 2004

		2004		2003	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	5		50,000		75,000
Tangible assets	6		41,153		133,500
			<u>91,153</u>		<u>208,500</u>
CURRENT ASSETS:					
Stocks		258,610		227,606	
Debtors	7	480,281		560,291	
Cash at bank		204,031		226,486	
		<u>942,922</u>		<u>1,014,383</u>	
CREDITORS: Amounts falling due within one year	8	424,752		593,330	
NET CURRENT ASSETS:			<u>518,170</u>		<u>421,053</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			<u>£609,323</u>		<u>£629,553</u>
CAPITAL AND RESERVES:					
Called up share capital	11		104,600		104,600
Share premium	12		455,400		455,400
Profit and loss account			49,323		69,553
SHAREHOLDERS' FUNDS:			<u>£609,323</u>		<u>£629,553</u>

These financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective June 2002).

ON BEHALF OF THE BOARD:


J. Baseley - Director

Approved by the Board on 11th April 2005

Ewbank Products Limited

Notes to the Financial Statements for the Year Ended 31 July 2004

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective June 2002).

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Intangible fixed assets

Intangible fixed assets comprise brands, patents, trade marks and intellectual property rights and are stated at net book value.

Up to 31 March 2003 the directors considered that these intangible fixed assets had an indefinite useful economic life and therefore did not provide for amortisation.

On 31 March 2003 the company was acquired by Earlex Limited. The directors of Earlex Limited, who are also directors of Ewbank Products Limited, consider that the intangible fixed assets have a useful economic life of four years and therefore have made a provision of £25,000 for amortisation in these accounts.

Tangible fixed assets

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

On 31 March 2003 the company was acquired by Earlex Limited and the company then adopted the depreciation policies of the parent undertaking, as follows:

	From 1 April 2003 onwards	Up to 31 March 2003
Plant and machinery	- 20% to 50% straight line	- 10% straight line
Fixtures and fittings	- 20% to 50% straight line	- 10% to 33.3% straight line
Motor vehicles	- 33% straight line	- 33.3% straight line
Tools, dies and moulds	- 50% straight line	- 10% straight line

If the change in policy had not occurred, the depreciation charge in the accounts for the period ended 31 July 2003 would be reduced by approximately £23,000.

Stocks

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Ewbank Products Limited

Notes to the Financial Statements for the Year Ended 31 July 2004

1. ACCOUNTING POLICIES - continued

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership ("finance leases"), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable during the lease term. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

Pensions

The company operates a defined contribution pension scheme. Contributions payable for the year are charged in the profit and loss account.

2. OPERATING (LOSS)/PROFIT

The operating loss (2003 - operating profit) is stated after charging:

	Year Ended 31.7.04 £	Period 1.4.02 to 31.7.03 £
Depreciation - owned assets	83,995	78,380
Loss on disposal of fixed assets	5,315	4,379
Goodwill written off	25,000	25,000
Auditors' remuneration	4,700	4,600
Pension costs	<u>21,073</u>	<u>10,000</u>
Directors' emoluments and other benefits etc	<u>-</u>	<u>79,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Ewbank Products Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2004**

3. TAXATION

Analysis of the tax charge

The tax charge on the loss on ordinary activities for the year was as follows:

	Year Ended 31.7.04 £	Period 1.4.02 to 31.7.03 £
Current tax:		
UK corporation tax	-	51,000
Underprovision in prior year	-	180
	<hr/>	<hr/>
Total current tax	-	51,180
Deferred taxation	-	5,575
	<hr/>	<hr/>
Tax on (loss)/profit on ordinary activities	-	56,755
	<hr/> <hr/>	<hr/> <hr/>

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.7.04 £	Period 1.4.02 to 31.7.03 £
(Loss)/profit on ordinary activities before tax	(20,230)	250,882
	<hr/>	<hr/>
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 0% (2003 - 21.853%)	-	54,825
Effects of:		
Expenses not deductible for tax purposes	-	3,154
charge		
Marginal relief and small companies rate	-	(5,071)
Deduction for depreciation of assets acquired under finance leases	-	(2,938)
Other timing differences	-	1,210
	<hr/>	<hr/>
Current tax charge	-	51,180
	<hr/> <hr/>	<hr/> <hr/>

4. DIVIDENDS

	Year Ended 31.7.04 £	Period 1.4.02 to 31.7.03 £
Ordinary shares of £1 each		
Interim dividend paid 31/03/03	-	90,000
	<hr/>	<hr/>

Ewbank Products Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2004**

5. INTANGIBLE FIXED ASSETS

	Goodwill
	£
COST:	
At 1 August 2003 and 31 July 2004	100,000
AMORTISATION:	
At 1 August 2003	25,000
Charge for year	25,000
At 31 July 2004	50,000
NET BOOK VALUE:	
At 31 July 2004	50,000
At 31 July 2003	75,000

6. TANGIBLE FIXED ASSETS

	Plant and machinery	Tooling	Motor vehicles	Fixtures & fittings	Totals
	£	£	£	£	£
COST:					
At 1 August 2003	51,435	223,465	9,360	93,028	377,288
Disposals	(5,000)	-	(9,360)	-	(14,360)
At 31 July 2004	46,435	223,465	-	93,028	362,928
DEPRECIATION:					
At 1 August 2003	21,344	157,363	4,420	60,661	243,788
Charge for year	6,829	66,102	-	11,064	83,995
Eliminated on disposals	(1,588)	-	(4,420)	-	(6,008)
At 31 July 2004	26,585	223,465	-	71,725	321,775
NET BOOK VALUE:					
At 31 July 2004	19,850	-	-	21,303	41,153
At 31 July 2003	30,091	66,102	4,940	32,367	133,500

The net book value of tangible fixed assets includes an amount of £nil (2003 £4,940) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £Nil (2003 £9,067).

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004 £	2003 £
Trade debtors	476,220	556,230
Deferred tax asset	4,061	4,061
	480,281	560,291

Ewbank Products Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2004**

**7. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR - continued**

Deferred tax asset	2004	2003
	£	£
Accelerated capital allowances	4,061	3,634
Sundry timing differences	-	427
	<u>4,061</u>	<u>4,061</u>

**8. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2004	2003
	£	£
Trade creditors	275,580	387,085
Finance lease contracts	-	3,404
Other creditors and accruals	118,054	120,159
Social security & other taxes	30,937	31,682
Taxation	181	51,000
	<u>424,752</u>	<u>593,330</u>

9. OPERATING LEASE COMMITMENTS

The following payments are committed to be paid within one year:

	2004	2003
	£	£
Expiring:		
In more than five years	<u>37,050</u>	<u>37,050</u>

10. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax
	£
Balance at 1 August 2003	(4,061)
Transfer from profit and loss account	
Balance at 31 July 2004	<u>(4,061)</u>

11. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2004	2003
		£1	£	£
104,600	Ordinary		104,600	104,600
			<u>104,600</u>	<u>104,600</u>

On 31 March 2003 the company was acquired by Earlex Limited. At that date the issued share capital of the company was reorganised so that there were only Ordinary shares of £1 each.

Ewbank Products Limited

**Notes to the Financial Statements
for the Year Ended 31 July 2004**

12. SHARE PREMIUM

	2004 £	2003 £
Brought forward and carried forward	<u>455,400</u>	<u>455,400</u>

13. PENSION COMMITMENTS

The company contributes to defined contribution pension schemes. The assets of the scheme are held separately from those of the company in independently administered funds. The pension charge represents contributions payable by the company to the funds and amounted to £21,073 (2003 £10,000).

There was an amount of £10,041(2003 £1,423) outstanding and payable to the scheme at the balance sheet date.

14. ULTIMATE PARENT COMPANY

The ultimate parent company is Earlex Limited, a company incorporated in England and Wales.

15. CONTINGENT LIABILITIES

The company received a grant of £57,000 during the year ended 31 March 1998. If certain conditions are not met, the grant is repayable in full, together with compound interest at a rate of 2% above Midland Bank Plc base rates. The conditions include, inter alia, the creation of a number of jobs, improving a building and bringing it back into use and the submission of regular monitoring forms.

16. RELATED PARTY DISCLOSURES

During the period, Clarke Cable, a division of Earlex Limited, the ultimate parent company, provided management services to the company amounting to Nil (2003 £2,571). There were no amounts outstanding at the balance sheet date (2003 £Nil).

17. CONTROLLING PARTY

The company is owned and controlled by Earlex Limited, the ultimate parent company.