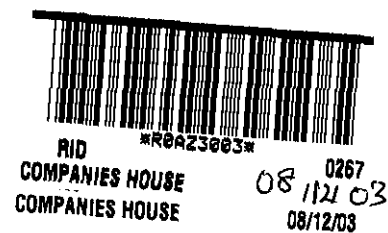


**Report of the Directors and
Financial Statements
for the Period
1 April 2002 to 31 July 2003
for
Ewbank Products Limited**



12-12-03
318

Ewbank Products Limited
Company Information
for the Period 1 April 2002 to 31 July 2003

DIRECTORS: J N Baseley
K Pavia

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 Period 1 April 2002 to 31 July 2003**

The directors present their report with the financial statements of the company for the period 1 April 2002 to 31 July 2003.

PRINCIPAL ACTIVITY

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

DIRECTORS

The directors during the period under review were:

A Turner	- resigned 31.3.03
D Anderson	- resigned 31.3.03
J N Baseley	- appointed 31.3.03
K Pavia	- appointed 31.3.03

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

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.

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: 25/11/2003

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

We have audited the financial statements of Ewbank Products Limited for the period ended 31 July 2003 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 2003 and of its profit for the period 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: 2 December 2003

Ewbank Products Limited
Profit and Loss Account
for the Period 1 April 2002 to 31 July 2003

		Period 1.4.02 to 31.7.03	Year Ended 31.3.02
	Notes	£	£
TURNOVER		3,006,205	2,094,553
Cost of sales		<u>2,038,178</u>	<u>1,352,815</u>
GROSS PROFIT		968,027	741,738
Administrative expenses		<u>718,027</u>	<u>510,923</u>
		250,000	230,815
Other operating income		<u>707</u>	<u>400</u>
OPERATING PROFIT	2	250,707	231,215
Interest receivable and similar income		<u>1,456</u>	<u>-</u>
		252,163	231,215
Interest payable and similar charges		<u>1,281</u>	<u>7,762</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		250,882	223,453
Tax on profit on ordinary activities	3	<u>56,755</u>	<u>5,481</u>
PROFIT FOR THE FINANCIAL PERIOD AFTER TAXATION		194,127	217,972
Dividends	4	<u>90,000</u>	<u>-</u>
		104,127	217,972
Deficit brought forward		<u>(34,574)</u>	<u>(252,546)</u>
RETAINED PROFIT/(DEFICIT) CARRIED FORWARD		<u>£69,553</u>	<u>£(34,574)</u>

The notes form part of these financial statements


Ewbank Products Limited

**Balance Sheet
31 July 2003**

		<u>2003</u>		<u>2002</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	5		75,000		100,000
Tangible assets	6		<u>133,500</u>		<u>144,461</u>
			208,500		244,461
CURRENT ASSETS:					
Stocks		227,606		127,821	
Debtors	7	560,291		561,061	
Cash at bank		<u>226,486</u>		<u>411</u>	
		1,014,383		689,293	
CREDITORS: Amounts falling due within one year	8	<u>593,330</u>		<u>393,893</u>	
NET CURRENT ASSETS:			<u>421,053</u>		<u>295,400</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			629,553		539,861
CREDITORS: Amounts falling due after more than one year	9		<u>-</u>		<u>14,435</u>
			<u>£629,553</u>		<u>£525,426</u>
CAPITAL AND RESERVES:					
Called up share capital	12		104,600		104,600
Share premium	13		455,400		455,400
Profit and loss account			<u>69,553</u>		<u>(34,574)</u>
SHAREHOLDERS' FUNDS:			<u>£629,553</u>		<u>£525,426</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 N Baseley - Director

Approved by the Board on 25/11/03

The notes form part of these financial statements

Ewbank Products Limited

Notes to the Financial Statements for the Period 1 April 2002 to 31 July 2003

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 Period 1 April 2002 to 31 July 2003

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 period are charged in the profit and loss account.

2. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period 1.4.02 to 31.7.03 £	Year Ended 31.3.02 £
Depreciation - owned assets	78,380	35,312
Loss/(Profit) on disposal of fixed assets	4,379	(1,176)
Goodwill written off	25,000	-
Auditors' remuneration	4,600	4,590
Pension costs	<u>10,000</u>	<u>10,000</u>
Directors' emoluments and other benefits etc	<u>79,000</u>	<u>78,617</u>

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

Money purchase schemes	<u>2</u>	<u>2</u>
------------------------	----------	----------

Ewbank Products Limited

Notes to the Financial Statements for the Period 1 April 2002 to 31 July 2003

3. TAXATION

Analysis of the tax charge

The tax charge on the profit on ordinary activities for the period was as follows:

	Period 1.4.02 to 31.7.03 £	Year Ended 31.3.02 £
Current tax:		
UK corporation tax	51,000	15,117
Underprovision in prior year	<u>180</u>	<u>-</u>
Total current tax	51,180	15,117
Deferred taxation	<u>5,575</u>	<u>(9,636)</u>
Tax on profit on ordinary activities	<u><u>56,755</u></u>	<u><u>5,481</u></u>

Factors affecting the tax charge

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

	Period 1.4.02 to 31.7.03 £	Year Ended 31.3.02 £
Profit on ordinary activities before tax	<u>250,882</u>	<u>223,453</u>
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21.853% (2002 - 30%)	54,825	67,036
Effects of:		
Expenses not deductible for tax purposes	3,154	1,112
Utilisation of tax losses	-	(49,587)
Adjustments to deferred tax charge	-	3,926
Marginal relief and small companies rate	(5,071)	(2,742)
Deduction for depreciation of assets acquired under finance leases	(2,938)	(4,628)
Other timing differences	<u>1,210</u>	<u>-</u>
Current tax charge	<u><u>51,180</u></u>	<u><u>15,117</u></u>

4. DIVIDENDS

	Period 1.4.02 to 31.7.03 £	Year Ended 31.3.02 £
104,600 Ordinary shares of £1 each		
Interim dividend paid 31/03/03	<u>90,000</u>	<u>-</u>

Ewbank Products Limited

**Notes to the Financial Statements
for the Period 1 April 2002 to 31 July 2003**

5. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>
	£
COST:	
At 1 April 2002	
and 31 July 2003	<u>100,000</u>
AMORTISATION:	
Charge for period	<u>25,000</u>
At 31 July 2003	<u>25,000</u>
NET BOOK VALUE:	
At 31 July 2003	<u>75,000</u>
At 31 March 2002	<u>100,000</u>

6. TANGIBLE FIXED ASSETS

	<u>Plant and machinery</u>	<u>Tooling</u>	<u>Motor vehicles</u>	<u>Fixtures & fittings</u>	<u>Totals</u>
	£	£	£	£	£
COST:					
At 1 April 2002	25,310	190,000	35,812	69,957	321,079
Additions	26,125	33,465	-	23,071	82,661
Disposals	<u>-</u>	<u>-</u>	<u>(26,452)</u>	<u>-</u>	<u>(26,452)</u>
At 31 July 2003	<u>51,435</u>	<u>223,465</u>	<u>9,360</u>	<u>93,028</u>	<u>377,288</u>
DEPRECIATION:					
At 1 April 2002	12,655	104,500	6,563	52,900	176,618
Charge for period	8,689	52,863	9,067	7,761	78,380
Eliminated on disposals	<u>-</u>	<u>-</u>	<u>(11,210)</u>	<u>-</u>	<u>(11,210)</u>
At 31 July 2003	<u>21,344</u>	<u>157,363</u>	<u>4,420</u>	<u>60,661</u>	<u>243,788</u>
NET BOOK VALUE:					
At 31 July 2003	<u>30,091</u>	<u>66,102</u>	<u>4,940</u>	<u>32,367</u>	<u>133,500</u>
At 31 March 2002	<u>12,655</u>	<u>85,500</u>	<u>29,249</u>	<u>17,057</u>	<u>144,461</u>

The net book value of tangible fixed assets includes an amount of £4,940 (2002 £29,429) in respect of assets held under finance leases and hire purchase contracts. The related depreciation charge on these assets for the year was £9,067 (2002 £15,429).

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

	2003	2002
	£	£
Trade debtors	556,230	418,451
Other debtors	-	132,974
Deferred tax asset	<u>4,061</u>	<u>9,636</u>
	<u>560,291</u>	<u>561,061</u>

Ewbank Products Limited

**Notes to the Financial Statements
for the Period 1 April 2002 to 31 July 2003**

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

Deferred tax asset	2003	2002
	£	£
Accelerated capital allowances	3,634	308
Sundry timing differences	<u>427</u>	<u>9,328</u>
	<u><u>4,061</u></u>	<u><u>9,636</u></u>

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

	2003	2002
	£	£
Trade creditors	387,085	207,378
Finance lease contracts	3,404	11,232
Bank overdraft	-	21,131
Other creditors and accruals	120,159	89,521
Social security & other taxes	31,682	49,514
Taxation	<u>51,000</u>	<u>15,117</u>
	<u><u>593,330</u></u>	<u><u>393,893</u></u>

**9. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2003	2002
	£	£
Finance lease contracts	<u>-</u>	<u>14,435</u>

10. OPERATING LEASE COMMITMENTS

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

	2003	2002
	£	£
Expiring:		
In more than five years	<u>37,050</u>	<u>38,132</u>

11. PROVISIONS FOR LIABILITIES AND CHARGES

	Deferred tax
	£
Balance at 1 April 2002	(9,636)
Transfer from profit and loss account	<u>5,575</u>
Balance at 31 July 2003	<u><u>(4,061)</u></u>

Ewbank Products Limited

Notes to the Financial Statements for the Period 1 April 2002 to 31 July 2003

12. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2003 £	2002 £
104,600 (2002 - 60,000)	Ordinary	£1	104,600	60,000
NIL (2002 - 40,000)	Ordinary 'A'	£1	-	40,000
NIL (2002 - 460,000)	Redeemable preference	1p	-	4,600
			<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.

13. SHARE PREMIUM

	2003 £	2002 £
Brought forward and carried forward	<u>455,400</u>	<u>455,400</u>

14. 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 £10,000 (2002 £10,000).

There was an amount of £1,423 (2002 £11,641) outstanding and payable to the scheme at the balance sheet date.

15. ULTIMATE PARENT COMPANY

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

16. 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.

17. 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 £2,571 (2002 £Nil). There were no amounts outstanding at the balance sheet date (2002 £Nil).

18. CONTROLLING PARTY

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