

EVOLUTION CIRCUITS LIMITED
ABBREVIATED FINANCIAL STATEMENTS

31 JULY 2001

Registered number: 3826332



EVOLUTION CIRCUITS LIMITED
ABBREVIATED FINANCIAL STATEMENTS
for the year ended 31 July 2001

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EVOLUTION CIRCUITS LIMITED**Auditors' report to****Evolution Circuits Limited****under section 247B of the Companies Act 1985**

We have examined the abbreviated financial statements set out on pages 2 to 3, together with the financial statements of the company for the year ended 31 July 2001 prepared under section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Act to the registrar of companies and whether the financial statements to be delivered are properly prepared in accordance with those provisions and to report our opinion to you.

Basis of opinion

We have carried out the procedures we considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report does not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with sections 246(5) and (6) of the Companies Act 1985, and the abbreviated financial statements on pages 2 to 3 are properly prepared in accordance with those provisions.

Other information

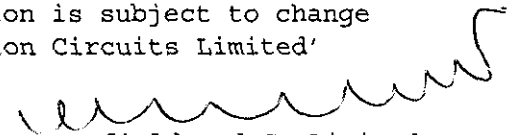
On 27 May 2002 we reported as auditors to the members of the company on the financial statements prepared under section 226 of the Companies Act 1985 and our report included the following paragraph:

Going Concern

In forming our opinion, we have considered the adequacy of disclosures made in note 15 of the financial statements as to the continuation of support from a major creditor of the company, Barnet Properties Limited. In view of the significance of this uncertainty we consider that it should be drawn to the attention of members but our report is not qualified in this respect.

Note 15 to the full accounts states 'The company has reduced losses in the year to 31 July 2002 however remains reliant on support from Barnet Properties Limited. , see note 14 above. Current indications are that Barnet Properties Limited is prepared to continue its support however this position is subject to change on review of the future trading prospects of Evolution Circuits Limited'

17 The Square
Kenilworth
Warwickshire
CV8 1EF
27 May 2002


Varney Barfield and Co Limited
Registered Auditors

EVOLUTION CIRCUITS LIMITED

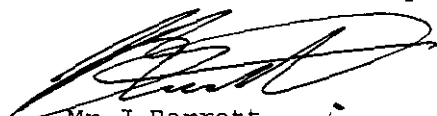
ABBREVIATED BALANCE SHEET

at 31 July 2001

	Note	2001 £	2000 £
Fixed assets			
Tangible assets	2	138,216	111,816
Investments	2	4,733	-
		<u>142,949</u>	<u>111,816</u>
Current assets			
Stocks		27,505	14,671
Debtors	3	426,442	252,019
Cash at bank and in hand		838	488
		<u>454,785</u>	<u>267,178</u>
Creditors: amounts falling due within one year		<u>(565,088)</u>	<u>(437,439)</u>
Net current liabilities		<u>(110,303)</u>	<u>(170,261)</u>
Total assets less current liabilities		<u>32,646</u>	<u>(58,445)</u>
Creditors: amounts falling due after more than one year	4	(330,976)	(49,786)
		<u>(298,330)</u>	<u>(108,231)</u>
Capital and reserves			
Called up share capital	5	100	100
Profit and loss account		(298,430)	(108,331)
Total shareholders' funds		<u>(298,330)</u>	<u>(108,231)</u>

These financial statements are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated financial statements on pages 2 to 3 were approved by the board of directors on 27 May 2002 and signed on its behalf by;



Mr J Barrett
Director

EVOLUTION CIRCUITS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 July 2001

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost convention.

The financial statements have also been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000). The company has taken advantage of the exemption from preparing a cash flow statement on the grounds that it qualifies as a small company under the Companies Act 1985.

Turnover

Turnover represents the amount derived from the provision of goods and services after deduction of trade discounts and value added tax.

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:

Improvements to leasehold	25% straight line basis
Other tangible fixed assets	25% straight line basis

Foreign currencies

Transactions expressed in foreign currencies are translated into sterling and recorded at rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities are translated at rates ruling at the balance sheet date.

2 Fixed assets

Cost	Tangible fixed assets £	Fixed asset investments £	Total £
1 August 2000	132,196	-	132,196
Additions	94,931	4,733	99,664
Disposals	(47,000)	-	(47,000)
31 July 2001	180,127	4,733	184,860
Depreciation			
1 August 2000	20,380	-	20,380
Charge for the year	42,095	-	42,095
Disposals	(20,563)	-	(20,563)
31 July 2001	41,912	-	41,912
Net book amount			
31 July 2001	138,216	4,733	142,949

EVOLUTION CIRCUITS LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 July 2001

3 Called up share capital

	2001		2000	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary £1 shares	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>
Allotted called up and fully paid				
Ordinary £1 shares	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

4 Secured liabilities

Creditors: amounts falling due within one year, see page 2 includes a bank overdraft of £98,598 which is secured by a debenture dated 17 April 2000.

5 Transactions with directors

During the year the company was charged consultancy fees of £66,667 by Seagrave Consultants Limited, a company controlled by a director of Evolution Circuits Limited, Mr M Atkins. The company was also charged consultancy fees of £40,000 by Mr K Belgrove, another director of the company.

Debtors, see page 2, includes an amount due from Mr M Atkins as at 31 July 2001 of £14,710. There is also a balance outstanding due from K Belgrove of £5,032. No interest is payable on the loans which will be repaid by the directors within 12 months of the balance sheet date.

During the year the company received loans from Barnet Properties Limited, a company associated with Mr J Barrett, a director of the company. Total loans outstanding to Barnet Properties Limited as at the balance sheet date were £270,000. No interest was charged on the loans during the year.

During the year the company was recharged various administration costs by Barrett Homes Limited, a company controlled by Mr J Barrett. The costs recharged amounted to £8,213 and debtors, see page 2, includes a balance outstanding to Barrett Homes Limited of £1,968.