

Innoverce Engineering Limited

Directors' report and financial statements

for the year ended 30 September 2002

Registered number 4102938



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Innoverce Engineering Limited

Directors' report and financial statements

<i>Contents</i>	Page
Directors' report	1
Accountants' report	2
Profit and loss account	3
Balance sheet	4 - 5
Notes to the financial statements	6 - 9

Innovence Engineering Limited

Directors' report

The directors present their report and the financial statements for the year ended 30 September 2002.

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 the affairs of the company and of the profit or loss of the company for that year. In preparing these the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Principal activity and share capital

The principal activity of the company is the development and marketing of innovative products.

An additional 2,500 ordinary shares of 10p each were issued at par, on 20 May 2002.

Directors and their interests

The directors who served during the year and their interests in the company are as stated below:

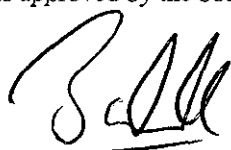
	Ordinary shares	
	2002	2001
JC Peck	10,000	9,999
J Harvie-Clark appointed 20 May 2002	2,500	-

J Harvie-Clark resigned as a director on 13 January 2003.

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

This report was approved by the board on 30 July 2003 and signed on its behalf by

Director





ACCOUNTANTS & BUSINESS ADVISERS

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**Accountants' report on the unaudited financial statements to the directors
of Innoverce Engineering Limited**

As described on the balance sheet you are responsible for the preparation of the financial statements for the year ended 30 September 2002 set out on pages 3 to 9 and you consider that the company is exempt from an audit. In accordance with your instructions we have compiled these unaudited financial statements, in order to assist you to fulfil your statutory responsibilities, from the accounting records and information supplied to us.

The Charlton Williamson Partnership

Accountants & Business Advisers

Date: 30 July 2003

Innoverce Engineering Limited

Profit and loss account

for the year ended 30 September 2002

		2002	2001
	Notes	£	£
Administrative expenses		(8,288)	-
Other operating income		8,255	-
Operating (loss)/profit - continuing operations	2	(33)	-
Other interest receivable and similar income		33	-
Retained profit for the financial year		-	-

There are no recognised gains or losses other than the profit or loss for the above two financial years.

The notes on pages 6 to 9 form an integral part of these financial statements.

Innoverce Engineering Limited

Balance sheet

at 30 September 2002

	Notes	£	2002 £	£	2001 £
Fixed assets					
Tangible assets	3		3,094		-
Current assets					
Debtors	4	2,347		1,000	
Cash at bank and in hand		18,109		-	
		<u>20,456</u>		<u>1,000</u>	
Creditors: amounts falling due within one year	5	(8,550)		-	
Net current assets			<u>11,906</u>		<u>1,000</u>
Total assets less current liabilities			<u>15,000</u>		<u>1,000</u>
Capital and reserves					
Creditors: amounts falling due after more than one year	6		13,750		-
Called up share capital	7		1,250		1,000
	9		<u>15,000</u>		<u>1,000</u>

The directors' statements required by Section 249B(4) are shown on the following page which forms part of this Balance Sheet.

The notes on pages 6 to 9 form an integral part of these financial statements.

Innoverce Engineering Limited

Balance sheet (continued)

Directors' statements required by Section 249B(4)

for the year ended 30 September 2002

In approving these financial statements as directors of the company we hereby confirm:

(a) that for the year stated above the company was entitled to the exemption conferred by Section 249A(1) of the Companies Act 1985 ;

(b) that no notice has been deposited at the registered office of the company pursuant to Section 249B(2) requesting that an audit be conducted for the year ended 30 September 2002 and

(c) that we acknowledge our responsibilities for:

(1) ensuring that the company keeps accounting records which comply with Section 221, and

(2) preparing financial statements 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 year then ended in accordance with the requirements of Section 226 and which otherwise comply with the provisions of the Companies Act relating to financial statements, so far as applicable to the company.

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

The financial statements were approved by the board on 30 July 2003 and signed on its behalf by

Director



The notes on pages 6 to 9 form an integral part of these financial statements.

Innoverce Engineering Limited

Notes to the financial statements

for the year ended 30 September 2002

1 Accounting policies

Accounting convention

The financial statements are prepared under the historical cost convention .

The company has taken advantage of the exemption in FRS1 from the requirement to produce a cashflow statement because it is a small company.

Tangible fixed assets and depreciation

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

Fixtures, fittings and equipment	- 33% Straight line
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Deferred taxation

Provision is made for deferred taxation using the liability method to take account of timing differences between the incidence of income and expenditure for taxation and accounting purposes except to the extent that the directors consider that a liability to taxation is unlikely to materialise.

2	Operating (loss)/profit	2002 £	2001 £
	<i>Operating (loss)/profit is stated after charging:</i>		
	Depreciation of tangible fixed assets	373	-
	Directors' remuneration	4,816	-
		<hr/>	<hr/>
	<i>and after crediting:</i>		
	Government grants	(8,255)	-
		<hr/>	<hr/>

Innovence Engineering Limited

Notes to the financial statements

for the year ended 30 September 2002

3 Tangible fixed assets

	Office equipment £	Total £
<i>Cost</i>		
At beginning of year	-	-
Additions	3,467	3,467
At end of year	3,467	3,467
<i>Depreciation</i>		
At beginning of year	-	-
Charge for the year	373	373
At end of year	373	373
<i>Net book values</i>		
At 30 September 2002	3,094	3,094
At 30 September 2001	-	-

4 Debtors

	2002 £	2001 £
Other debtors	2,347	-
Called up share capital not paid	-	1,000
	2,347	1,000

5 Creditors: amounts falling due within one year

	2002 £	2001 £
Trade creditors	128	-
Other taxes and social security costs	713	-
Directors' accounts	48	-
Other creditors	16	-
Accruals and deferred income	7,645	-
	8,550	-

Innoverce Engineering Limited

Notes to the financial statements

for the year ended 30 September 2002

6	Creditors: amounts falling due after more than one year	2002 £	2001 £
	Unsecured loans	<u>13,750</u>	<u>-</u>

The loans carry no coupon or interest and the holders of the loans have subordinated their rights to other creditors. The loans are repayable at the discretion of directors, and in accordance with the company's Articles of Association.

7	Share capital	2002 £	2001 £
	<i>Authorised equity</i>		
	1,000,000 Ordinary shares of £0.10 each	<u>100,000</u>	<u>100,000</u>
	<i>Allotted, called up and fully paid equity</i>		
	12,500 Ordinary shares of £0.10 each	<u>1,250</u>	<u>-</u>
	<i>Allotted, called up and unpaid equity</i>		
	10,000 Ordinary shares of £0.10 each	<u>-</u>	<u>1,000</u>

An additional 2,500 ordinary shares of 10p each were issued at par, on 20 May 2002.

8	Reserves	Total £
	At beginning of year	-
	Retained profit for the year	-
	At end of year	<u>-</u>

9	Reconciliation of movements in shareholders' funds	2002 £	2001 £
	Net proceeds of equity share issue	<u>250</u>	<u>1,000</u>
	Net shareholders' funds	<u>250</u>	<u>1,000</u>
	Opening shareholders' funds	<u>1,000</u>	<u>-</u>
	Closing shareholders' funds	<u>1,250</u>	<u>1,000</u>

Innovence Engineering Limited

Notes to the financial statements

for the year ended 30 September 2002

10 Related party transactions

J Peck is considered the controlling shareholder of Innovence Products Limited and Innovence Engineering Limited. Transactions between the companies are as follows:-

Recharges to the company £1,998 (2001: £nil)

Included in expenses £528 (2001: £nil)

Included in other debtors £2,347 (2001: £nil)