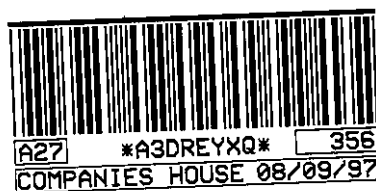


DOLPHIN MOBILITY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1997

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DOLPHIN MOBILITY LIMITED

COMPANY INFORMATION

DIRECTORS	C R Dunnage K L Dunnage
SECRETARY	M R Nicholls
BANKERS	Lloyds Bank Plc 84 Victoria Road Ferndown Dorset BH22 9JB
AUDITORS	Stedman & Co. 33 Foley Road Claygate Esher Surrey KT10 0LU
REGISTERED OFFICE	37 Chertsey Road Chobham Surrey GU24 8PD
REGISTERED NUMBER	3130621 (England and Wales)

DOLPHIN MOBILITY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 1997

The directors present their annual report together with the audited financial statements of the company for the year ended 31 January 1997.

PRINCIPAL ACTIVITY

The principal activity of the company throughout the year continued to be that of supply installation and maintenance of disability equipment.

DIRECTORS

The directors who held office during the year and their beneficial interests in the issued share capital were as follows:

	<u>Ordinary shares of £1 each</u>
	31 January 1997
C R Dunnage	300
K L Dunnage	300

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 as at the end of the financial year 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 maintaining proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act. 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.

DOLPHIN MOBILITY LIMITED

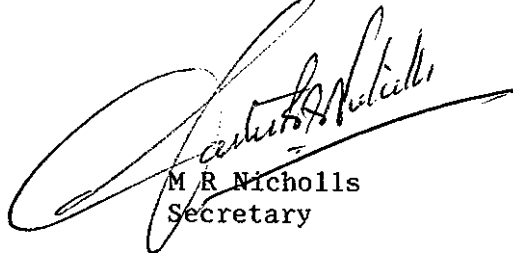
DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 1997

AUDITORS

The auditors, Stedman & Co., will be proposed for re-appointment in accordance with Section 384 of the Companies Act 1985.

This report was approved by the board on 3rd September 1997, taking advantage of exemptions available to small companies.

Signed on behalf of the board of directors



M R Nicholls
Secretary

AUDITORS' REPORT TO THE SHAREHOLDERS OF

DOLPHIN MOBILITY LIMITED

We have audited the financial statements on pages 5 to 11 which have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 2 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, except that the scope of our work was limited as explained below.

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. However, owing to the nature of the stock and the absence of any detailed stock records there were no satisfactory audit procedures that we could adopt to confirm the value of stock.

As shown in the accounts the company's net current liabilities amounted to £60,233 at 31 January 1997. In these circumstances the continued operation of the company is dependent upon the support of the bank and the director. On the assumption of the continuance of that support, the accounts have been prepared on a going concern basis. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

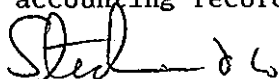
Qualified opinion arising from limitation in audit scope

Except for any adjustments that might have been found to be necessary had we been able to obtain sufficient evidence concerning the valuation of stock, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 January 1997 and of the 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.

In respect alone of the limitation on our work relating to stock:

- i) we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- ii) we were unable to determine whether proper accounting records had been maintained.

33 Foley Road
Claygate
Esher Surrey KT10 0LU


STEDMAN & CO.
Registered Auditor and
Chartered Accountants

3rd September 1997

DOLPHIN MOBILITY LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 JANUARY 1997

	Notes	1997	
	-----	£	£
TURNOVER	2		661,844
Cost of sales			455,382
GROSS PROFIT			----- 206,462
Selling and distribution costs		62,119	
Administrative expenses		171,072	
		-----	233,191
OPERATING LOSS	3		----- (26,729)
Other operating income			4,853
Interest payable			----- (21,876) 11,333
LOSS on ordinary activities before taxation			----- (33,209)
TAXATION on profit on ordinary activities	4		----- --
LOSS on ordinary activities after taxation			----- (33,209)
DEFICIT CARRIED FORWARD			----- £ (33,209) =====

There were no recognised gains nor losses other than those included in the profit and loss account.

None of the company's activities were acquired or discontinued during the year.

The notes on pages 7 to 11 form part of these financial statements.

DOLPHIN MOBILITY LIMITED

BALANCE SHEET - 31 JANUARY 1997

	Notes	1997	
		£	£
FIXED ASSETS			
Tangible assets	5		127,935
CURRENT ASSETS			
Stock		31,250	
Debtors	6	49,220	
Cash at bank and in hand		21,742	
		<u>102,212</u>	
CREDITORS: amounts falling due within one year	7	171,445	
		<u>171,445</u>	
NET CURRENT LIABILITIES			(69,233)
TOTAL ASSETS LESS CURRENT LIABILITIES			
			58,702
CREDITORS: amounts falling due after more than one year			
	8		91,311
			<u>£ (32,609)</u>
CAPITAL AND RESERVES			
Called up share capital	9		600
Deficit on profit and loss account			(33,209)
SHAREHOLDERS FUNDS	10		<u>£ (32,609)</u>

In preparing the company's annual financial statements the directors have taken advantage of special exemptions applicable to small companies conferred by Schedule 8 to the Companies Act 1985, and have done so on the grounds that, in their opinion the company is entitled to the exemption as a small company.

Approved by the board of directors on 3rd September 1997 and signed on its behalf.

.....*C R Dunnage*.....
C R Dunnage
Director

The notes on pages 7 to 11 form part of these financial statements.

DOLPHIN MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JANUARY 1997

1 ACCOUNTING POLICIES

The principal accounting policies which are adopted in the preparation of the financial statements are set out below.

Going concern

The balance sheet shows net current liabilities amounting to £60,233. These accounts have been produced on a going concern basis due to the continuing support of the bank and the directors of the company who at the date of the balance sheet were owed a total in excess of the net current liabilities.

Basis of accounting

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a small company.

Turnover

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

Tangible fixed assets

Depreciation is provided at rates calculated to write off each asset over its estimated useful life. The principal annual rates in use are:

Freehold buildings	2%	on cost
Motor vehicles	25%	on cost
Plant and machinery	25%	on cost

Leased assets

Leased equipment, financed by leasing or hire purchase agreements that give rights approximating to ownership, are treated as if they had been purchased outright and the corresponding obligations treated as liabilities. The charge to the profit and loss account is represented by depreciation, calculated in accordance with the company's policy, and interest. The total invoiced cost is charged to the profit and loss account, so as to produce a constant periodic rate of charge on the remaining balance of the obligation for each accounting period.

Stock

Stock and work in progress is valued by the directors at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items.

Deferred taxation

Provision is made at appropriate rates for taxation deferred in respect of all material timing differences only to the extent that, in the opinion of the directors, there is a reasonable probability that a liability or asset will crystallise in the foreseeable future.

Pension Scheme

The contributions to the self administered company pension scheme are charged to profit and loss in the year in which they are paid into the scheme.

DOLPHIN MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JANUARY 1997

(continued)

2 TURNOVER

The turnover and loss for the year before taxation is attributable to the one principal activity of the company.

No exports were made by the company during the year.

3 OPERATING LOSS

The operating loss is stated after charging:

	1997

	£
Directors' emoluments	56,063
Staff costs	59,890

Total staff costs	115,953
Depreciation	6,657
Auditors' remuneration	750
Rental costs relating to operating leases	9,132
	=====

4 TAXATION

The company has tax losses amounting to £32,098 available to offset against future profits.

DOLPHIN MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JANUARY 1997

(continued)

5 TANGIBLE FIXED ASSETS

	Land and buildings	Motor vehicles	Plant and machinery	Total
<u>Cost or valuation</u>				
Additions	111,969	18,725	3,898	134,592
At 31 January 1997	111,969	18,725	3,898	134,592
<u>Depreciation</u>				
Charge for the year	1,000	4,681	976	6,657
At 31 January 1997	1,000	4,681	976	6,657
<u>Net book value</u>				
At 31 January 1997	£ 110,969	£ 14,044	£ 2,922	£ 127,935

The net book value of fixed assets at 31 January 1997 includes £12,169 in respect of assets leased and on hire purchase, made up as follows:

	1997

	£
Motor vehicles	12,169
	=====

The depreciation charge for the year includes £4,056 in respect of assets leased or on hire purchase, made up as follows:

	1997

	£
Motor vehicles	4,056
	=====

Lloyds Bank PLC hold a first mortgage over the freehold land and buildings.

The freehold land and buildings were purchased as one complete entity and no separate cost is available. For depreciation purposes the buildings have been treated as costing £50,000.

6 DEBTORS

	1997

	£
Trade debtors	43,947
Other debtors	5,273

	49,220
	=====

DOLPHIN MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JANUARY 1997

(continued)

7 CREDITORS: amounts falling due within one year

	1997

	£
Trade creditors	83,766
Other creditors	58,543
Bank loans and overdraft	29,136

	171,445
	=====

Bank loans and overdraft are secured by a debenture held by Lloyds Bank PLC.

8 CREDITORS: amounts falling due after more than one year

	1997

	£
Other loans	91,311

	91,311
	=====

The other loans consist of a bank loan and a loan under the Small Firms Loan Guarantee Scheme both of which are secured by a debenture held by Lloyds Bank.

9 CALLED UP SHARE CAPITAL

	1997

	£
Authorised	
Ordinary shares of £1 each	1,000
	=====
Allotted, called up and fully paid	
Ordinary shares of £1 each	600
	=====

10 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1997

	£
Loss for the year	(33,209)
New shares issued during the year	600

	(32,609)

Shareholders' funds at 31 January 1997	(32,609)
	=====

DOLPHIN MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JANUARY 1997

(continued)

11 LEASING COMMITMENTS

Finance leases

The future minimum payments to which the company was committed at 31 January 1997 were as follows:

	1997

	£
Payable within:	
One year	4,148

	4,148

	4,148
	=====
Summary:	
Repayable within one year	4,148

	4,148
	=====

Operating leases

At 31 January 1997 the company had annual commitments under non cancellable operating leases as set out below:

	1997	

	Land and Buildings	Other
Operating leases which expire:		
Within one year	-	11,682
Within two to five years	-	14,200
	-----	-----
£	-	£ 25,882
	=====	=====