

Registered number:
3130621 (ENGLAND AND WALES)

DOLPHIN MOBILITY LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JANUARY 1998

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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 1998

The directors present their annual report together with the audited financial statements of the company for the year ended 31 January 1998.

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 1998	31 January 1997
C R Dunnage	300	300
K L Dunnage	300	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

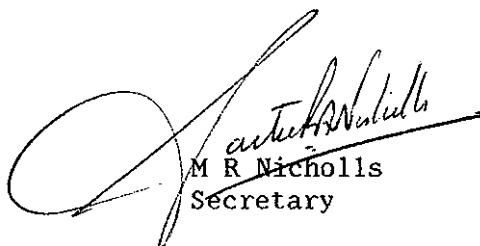
DIRECTORS' REPORT FOR THE YEAR ENDED 31 JANUARY 1998

AUDITORS

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

The directors have taken advantage of the special provisions of Part VII of the Companies Act 1985 relating to small companies in the preparation of this report.

Approved by the board of directors on 18th August 1998 and signed on their behalf by



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 in accordance with the Financial Reporting Standard for Smaller Entities, 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.

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.

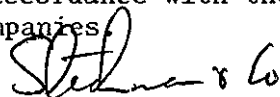
As shown in the accounts the company's net current liabilities amounted to £30,740 at 31 January 1998. In these circumstances the continued operation of the company is dependent upon the support of the bank and the director. On the assumption of the continuance of that support, the accounts have been 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.

Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 January 1998 and of the profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

33 Foley Road
Claygate
Esher Surrey KT10 0LU

19th August 1998



Registered Auditor and
Chartered Accountants

STEPHAN & CO

DOLPHIN MOBILITY LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 JANUARY 1998

	Notes	1998		1997	
		£	£	£	£
TURNOVER	2		994,382		661,844
Cost of sales			670,945		455,382
GROSS PROFIT			323,437		206,462
Selling and distribution costs		57,735		62,119	
Administrative expenses		216,351		171,072	
			274,086		233,191
OPERATING PROFIT/(1997 OPERATING LOSS)	3		49,351		(26,729)
Other interest receivable and similar income			7,740		4,853
Interest payable			(10,491)		(11,333)
PROFIT/(LOSS) on ordinary activities before taxation			46,600		(33,209)
TAXATION on profit on ordinary activities	4		3,800		-
PROFIT/(LOSS) on ordinary activities after taxation			42,800		(33,209)
DEFICIT BROUGHT FORWARD			(33,209)		-
BALANCE CARRIED FORWARD			£ 9,591		£ (33,209)

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

DOLPHIN MOBILITY LIMITED

BALANCE SHEET - 31 JANUARY 1998

	Notes	1998		1997	
		£	£	£	£
FIXED ASSETS					
Tangible assets	5		122,864		127,935
CURRENT ASSETS					
Stock		29,250		31,250	
Debtors	6	95,581		49,220	
Cash at bank and in hand		8,591		21,742	
		133,422		102,212	
CREDITORS: amounts falling due within one year	7	164,162		171,445	
NET CURRENT LIABILITIES			(30,740)		(69,233)
TOTAL ASSETS LESS CURRENT LIABILITIES			92,124		58,702
CREDITORS: amounts falling due after more than one year		8	81,933		91,311
			£ 10,191		£ (32,609)
CAPITAL AND RESERVES					
Called up share capital	9		600		600
Profit and loss account			9,591		(33,209)
SHAREHOLDERS FUNDS			£ 10,191		£ (32,609)

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities.

Approved by the board of directors on 18th August 1998 and signed on its behalf.

C R Dunnage
 C R Dunnage
 Director

DOLPHIN MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JANUARY 1998

1 ACCOUNTING POLICIES

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

Going concern

The balance sheet shows net current liabilities amounting to £30,740. 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 the Financial Reporting Standard for Smaller Entities under the historical cost convention.

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
Fixtures and fittings	15%	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 1998

(continued)

2 TURNOVER

During the year the company exported -% of its turnover (1997 - -%).

3 OPERATING PROFIT

The operating profit is stated after charging:

	1998	1997
	-----	-----
	£	£
Directors' emoluments	89,104	56,063
Staff costs	74,159	59,890
	-----	-----
Total staff costs	163,263	115,953
Depreciation of owned assets	4,235	2,601
Depreciation of assets under finanace leases and HP	4,056	4,056
Auditors' remuneration	750	750
Operating lease rentals - other assets	14,972	9,132
	=====	=====

4 TAXATION

	1998	1997
	-----	-----
	£	£
Corporation tax on ordinary activities at 21.33%	3,800	-
	=====	=====

DOLPHIN MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JANUARY 1998

(continued)

5 TANGIBLE FIXED ASSETS

	Land and buildings	Motor vehicles	Fixtures and fittings	Plant and machinery	Total
<u>Cost or valuation</u>					
At 31 January 1997	111,969	18,725	-	3,898	134,592
Additions	-	-	1,730	2,050	3,780
Disposals	-	(2,500)	-	-	(2,500)
At 31 January 1998	111,969	16,225	1,730	5,948	135,872
<u>Depreciation</u>					
At 31 January 1997	1,000	4,681	-	976	6,657
Charge for the year	1,000	4,056	-	1,920	6,976
Released on disposal	-	(625)	-	-	(625)
At 31 January 1998	2,000	8,112	-	2,896	13,008
<u>Net book value</u>					
At 31 January 1998	£ 109,969	£ 8,113	£ 1,730	£ 3,052	£ 122,864
At 31 January 1997	£ 110,969	£ 14,044	£ -	£ 2,922	£ 127,935

The net book value of fixed assets at 31 January 1998 includes £8,113 in respect of assets leased under finance leases or under hire purchase contracts.

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

	1998	1997
	£	£
Trade debtors	90,050	43,947
Other debtors	5,531	5,273
	95,581	49,220

DOLPHIN MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JANUARY 1998

(continued)

7 CREDITORS: amounts falling due within one year

	1998	1997
	-----	-----
	£	£
Bank loans and overdrafts	15,280	29,136
Trade Creditors	117,574	83,766
Other creditors	25,313	51,696
Corporation tax	3,800	-
Other tax and social security	2,195	2,699
Obligations under finance leases and hire purchase	-	4,148
	-----	-----
	164,162	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

	1998	1997
	-----	-----
	£	£
Bank loans	81,933	91,311
	-----	-----
	81,933	91,311
	=====	=====

The bank 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.

Analysis of loans:

Included in current liabilities	14,919	19,067
	-----	-----
	14,919	19,067
	=====	=====

Loan maturity analysis

Between one and two years	81,933	91,311
	=====	=====

Net obligations under finance leases
and hire purchase contracts

Repayable within one year	-	4,148
	-----	-----
	-	4,148

Finance charges and interest allocated

Included in liabilities falling due within one year	-	4,148
	-----	-----

The bank loans which total £96,852 are repayable by annual installments. The rate of interest charged on the loans is 2% over Lloyds Bank base rate in respect of the Government Guarantee Scheme Loan and 3% over Lloyds base in respect the Business Loan. Both loans are secured by way of an unlimited debenture charge over the assets of the company.

DOLPHIN MOBILITY LIMITED

NOTES TO THE FINANCIAL STATEMENTS - 31 JANUARY 1998

(continued)

9 CALLED UP SHARE CAPITAL

	1998	1997
	-----	-----
	£	£
Authorised		
Ordinary shares of £1 each	1,000	1,000
	=====	=====
Allotted, called up and fully paid		
Ordinary shares of £1 each	600	600
	=====	=====

10 RESERVES

	Profit and loss account
At 31 January 1997	(33,209)
Retained profit for the year	42,800

At 31 January 1998	9,591
	=====

12 PENSION SCHEME

The assets of the pension scheme are held separately from those of the company in an independently administered fund. The pension cost represents contributions payable by the company to the fund amounting to £39,800 (1997 £12,930).

DOLPHIN MOBILITY LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 JANUARY 1998

	1998		1997	
	£	£	£	£
SALES		994,382		661,844
COST OF SALES				
Opening stock and work in progress	31,250		-	
Purchases	583,673		388,039	
Franchise fees	27,908		49,750	
Subcontractors	57,173		48,843	
Carriage and packing	191		-	
	700,195		486,632	
Closing stock and work in progress	29,250		31,250	
		670,945		455,382
GROSS PROFIT		323,437		206,462
DEDUCT : EXPENSES				
Establishment	20,118		22,816	
Administration	175,465		128,789	
Selling	57,735		62,119	
Financial	22,968		24,143	
Depreciation	8,291		6,657	
		284,577		244,524
		38,860		(38,062)
OTHER INCOME				
Interest receivable		490		773
Rent receivable		7,250		4,080
NET PROFIT/(1997 LOSS) BEFORE TAXATION		£ 46,600		£ (33,209)