

BLACKWATER GROUP LIMITED**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST MARCH, 2001**

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BLACKWATER GROUP LIMITED

COMPANY INFORMATION

1. DIRECTORS

S. C. Entwistle, Esq.
Mrs M.R. Entwistle

2. COMPANY SECRETARY

S.C. Entwistle, Esq.

3. COMPANY NUMBER

2947510

4. REGISTERED OFFICE

8 Churchill Park
Colwick Business Estate
Colwick
Nottingham
NG4 2HF

5. ACCOUNTANTS

Franklins, Registered Auditors
The Limes
3 Pelham Avenue
Nottingham
NG5 1AJ

BLACKWATER GROUP LIMITED

REPORT OF THE DIRECTORS

The directors present their report and the financial statements of the company for the year ended 31st March, 2001.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year was that of a holding company.

REVIEW OF THE BUSINESS

The company was dormant in the current and preceding period. The directors do not expect the company to trade in the forthcoming year.

RESULTS AND DIVIDENDS

The results for the period and financial position of the company are set out in detail on pages 6 to 9 of the financial statements. A dividend of £11000 (2000: £19800) was paid during the period.

FIXED ASSETS

Full details of fixed assets are shown in note 3 to the financial statements.

CHARITABLE AND POLITICAL CONTRIBUTIONS

Charitable and political contributions were not in excess of £200 (2000: Charitable and political contributions were not in excess of £200).

CLOSE COMPANY

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

BLACKWATER GROUP LIMITED

REPORT OF THE DIRECTORS CONTINUED

DIRECTORS

The directors who have served during the year are set out on page 2. The interest of the directors, including family interests, at the beginning and end of the year was as follows:

	Ordinary shares of £1 each	
	2001	2000
S.C. Entwistle, Esq.	2020	2020
Mrs M.R. Entwistle	-	-

No director had during or at the end of the year, any interest in a contract which was material to the company's business.

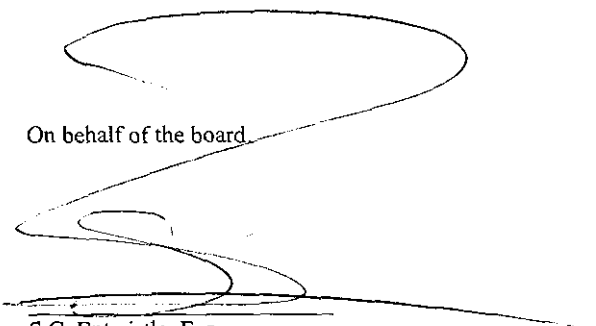
DIRECTORS RESPONSIBILITIES

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 year. 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.

On behalf of the board



S.C. Entwistle, Esq.

28th January, 2002

BLACKWATER GROUP LIMITED
ACCOUNTANT'S REPORT TO THE MEMBERS
OF BLACKWATER GROUP LIMITED

We report on the accounts for the year ended 31st March, 2001 set out on pages 6 to 9.

Respective responsibilities of the directors and reporting accountant

As described on page 4, the company's directors are responsible for the preparation of the accounts, and they believe that the company is exempt from an audit. It is our responsibility to carry out procedures designed to enable us to report our opinion.

Basis of opinion

We conducted our examination in accordance with the statement of standards for reporting accountants, and so our procedures consisted of comparing the accounts with the accounting records kept by the company, and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

The examination was not an audit conducted in accordance with auditing standards and accordingly these procedures provide only the assurance expressed in our opinion.

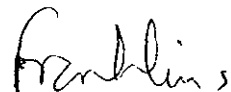
Opinion

In our opinion:

- a) the accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985;
- b) having regard only to, and on the basis of, the information contained in those accounting records;
 - (i) the accounts have been drawn up in a manner consistent with the accounting requirements specified in section 249C(6) of the Act; and
 - (ii) the company satisfied the conditions for exemption from an audit of the accounts for the period specified in section 249A(4) of the Act and did not, at any time within that period, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1).

The Limes
3 Pelham Avenue
Nottingham
NG5 1AJ

29th January, 2002



FRANKLINS
REGISTERED AUDITORS

BLACKWATER GROUP LIMITED

PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31ST MARCH, 2001

	Notes	2001 £	2000 £
Turnover		-	-
Profit on ordinary activities before taxation		-	-
Taxation	2	-	-
Profit on ordinary activities after taxation		-	-
Dividend received		11000	19800
Dividend paid		(11000)	(19800)
Retained profit for the year		-	-
Profit and loss account brought forward		-	-
Profit and loss account carried forward		-	-

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There were no recognised gains or losses during the year other than those in the profit and loss account.

HISTORICAL COST PROFIT AND LOSS

There is no difference between the results as disclosed in the profit and loss account and the results on an unmodified historical cost basis.

CONTINUING OPERATIONS

There were no acquisitions or discontinued operations during the current or preceding year.

The notes on pages 8 and 9 form part of these financial statements.

BLACKWATER GROUP LIMITED

BALANCE SHEET AS AT 31ST MARCH, 2001

	Notes	£	2001 £	£	2000 £
FIXED ASSETS					
Investments	3		10100		10100
CREDITORS					
Amounts falling due within one year		-	-	-	-
Net current liabilities			-		-
Total assets less current liabilities			<u>10100</u>		<u>10100</u>
CREDITORS					
Amounts falling due after more than one year			-		-
PROVISIONS FOR LIABILITIES AND CHARGES			-		-
NET ASSETS			<u>10100</u>		<u>10100</u>
CAPITAL AND RESERVES					
Called up share capital	4		10100		10100
Profit and loss account			-		-
SHAREHOLDERS FUNDS	6		<u>10100</u>		<u>10100</u>

The directors consider that the company is entitled to exemption from the requirement to have an audit under the provision of section 249A(1) of the Companies Act 1985. Shareholders holding 10% or more of the company's share capital have not issued a notice requiring an audit. The directors acknowledge their responsibility for ensuring that the company keeps accounting records which comply with section 221 Companies Act 1985 and for preparing accounts which give a true and fair view of the state of affairs of the company as at 31st March, 2001 and of its loss for the year then ended in accordance with the requirements of section 226B and which otherwise comply with the requirements of the Act relating to the accounts so far as applicable to the company.

Approved by the board on 28th January, 2002 and signed on its behalf.


S.C. Entwistle, Esq.

The notes on pages 8 and 9 form part of these financial statements.

BLACKWATER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2001

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with the historical cost convention and incorporate the result of the principal activity which is described in the directors report. The principal accounting policies which the directors have adopted within that convention are set out below.

b) Cash flow

The company has not produced a cash flow statement on the grounds that it has satisfied the conditions exempting it as a small company.

	2001 £	2000 £
2. TAXATION		
UK corporation tax @ 20%	-	-

3. FIXED ASSETS

Investments

	2001 £	2000 £
Unlisted investments		
Profitmaster Systems Limited	10000	10000
Charlesworth UK Limited	100	100
	<u>10100</u>	<u>10100</u>

Details of the company's investments are as follows;

Undertaking	Country of Registration	Nature of Holding	% owned
Profitmaster Systems Limited	England	Ordinary	100
Charlesworth UK Limited	England	Ordinary	100

BLACKWATER GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH, 2001 CONTINUED

	2001 £	2000 £
4. SHARE CAPITAL		
Authorised 15000 ordinary shares of £1 each	<u>15000</u>	<u>15000</u>
Issued and fully paid 10100 ordinary shares of £1 each	<u>10100</u>	<u>10100</u>

5. CAPITAL COMMITMENTS AND CONTINGENT LIABILITIES

The company had no capital commitments or contingent liabilities at 31st March, 2001 or 31st March, 2000.

	2001 £	2000 £
6. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS FUNDS		
Shareholders funds at 1st April, 2000	10100	10100
Retained profit for the year	-	-
Shareholders funds at 31st March, 2001	<u>10100</u>	<u>10100</u>