

WATLING HOPE (SERVICE) LIMITED
FINANCIAL STATEMENTS
FOR
31ST JULY 1999

Company Registration Number 2837339

THE GRAHAM FULFORD PARTNERSHIP

Chartered Accountants & Registered Auditors

61 Bedford Street
Leamington Spa
Warwickshire
CV32 5DN



WATLING HOPE (SERVICE) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1999

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WATLING HOPE (SERVICE) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST JULY 1999

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st July 1999.

PRINCIPAL ACTIVITIES

The principal activity of the company continues to be that of servicing waste water and environmental equipment.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 July 1999	At 1 August 1998
Mr M J Palin	76	76
Mr G Mansell	12	12

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on page 6, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also 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. The directors 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.

AUDITORS

A resolution to re-appoint The Graham Fulford Partnership as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

WATLING HOPE (SERVICE) LIMITED

THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31ST JULY 1999

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985.

Registered office:

The Chantry

Wroxton

Banbury

Oxon

OX15 6QS

Signed by order of the directors



MR G MANSELL

Company Secretary

Approved by the directors on 25/5/00

WATLING HOPE (SERVICE) LIMITED
AUDITORS' REPORT TO THE SHAREHOLDERS
YEAR ENDED 31ST JULY 1999

We have audited the financial statements on pages 4 to 8 which have been prepared in accordance with the *Financial Reporting Standard for Smaller Entities* (effective March 2000), under the historical cost convention and the accounting policies set out on page 6.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS

As described on page 1, the company's directors are responsible for the preparation of the 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. 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 as at 31st July 1999 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

61 Bedford Street
Leamington Spa
Warwickshire
CV32 5DN

31/05/00


THE GRAHAM FULFORD PARTNERSHIP
Chartered Accountants
& Registered Auditors

WATLING HOPE (SERVICE) LIMITED**PROFIT AND LOSS ACCOUNT****YEAR ENDED 31ST JULY 1999**

	Note	1999 £	1998 £
TURNOVER		545,869	341,313
Cost of sales		(369,899)	(215,085)
GROSS PROFIT		175,970	126,228
Administrative expenses		(120,872)	(125,814)
OPERATING PROFIT	2	55,098	414
Interest receivable		44	3
Interest payable		-	(15)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		55,142	402
Tax on profit on ordinary activities	3	(11,396)	(83)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		43,746	319
Equity dividends paid		(35,200)	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		8,546	319
Balance brought forward		1,547	1,228
Balance carried forward		10,093	1,547

The notes on pages 6 to 8 form part of these financial statements.

WATLING HOPE (SERVICE) LIMITED

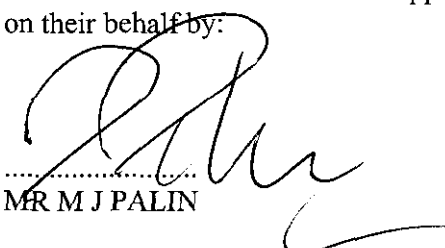
BALANCE SHEET

31ST JULY 1999

	Note	1999	1998
		£	£
CURRENT ASSETS			
Stocks		21,617	24,886
Debtors	4	193,451	105,291
Cash at bank		12,255	14,184
		<u>227,323</u>	<u>144,361</u>
CREDITORS: Amounts falling due within one year	5	<u>(217,142)</u>	<u>(142,726)</u>
NET CURRENT ASSETS		<u>10,181</u>	<u>1,635</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,181</u>	<u>1,635</u>
CAPITAL AND RESERVES			
Called-up equity share capital	7	88	88
Profit and loss account		<u>10,093</u>	<u>1,547</u>
SHAREHOLDERS' FUNDS		<u>10,181</u>	<u>1,635</u>

These financial statements have been prepared in accordance with the special provisions for small companies under Part VII of the Companies Act 1985 and with the Financial Reporting Standard for Smaller Entities (effective March 2000).

These financial statements were approved by the directors on the 25/5/00, and are signed on their behalf by:



 MR M J PALIN

The notes on pages 6 to 8 form part of these financial statements.

WATLING HOPE (SERVICE) LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31ST JULY 1999

1. ACCOUNTING POLICIES

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000).

Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

2. OPERATING PROFIT

Operating profit is stated after charging:

	1999 £	1998 £
Directors' emoluments	-	-
Auditors' fees	<u>1,000</u>	<u>-</u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £	1998 £
In respect of the year:		
Corporation tax based on the results for the year at 20.70% (1998 - 21%)	11,396	86
Adjustment in respect of previous years:		
Corporation tax	<u>-</u>	<u>(3)</u>
	<u>11,396</u>	<u>83</u>

WATLING HOPE (SERVICE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1999

4. DEBTORS

	1999 £	1998 £
Trade debtors	162,075	104,860
Amounts owed by undertakings in which the company has a participating interest	31,376	-
Other debtors	-	431
	<u>193,451</u>	<u>105,291</u>

5. CREDITORS: Amounts falling due within one year

	1999 £	1998 £
Trade creditors	102,959	63,440
Amounts owed to undertakings in which the company has a participating interest	35,274	32,303
Other creditors comprise:		
Corporation tax	11,397	86
VAT	<u>4,404</u>	<u>716</u>
	15,801	802
Accruals and deferred income	<u>63,108</u>	<u>46,181</u>
	<u>217,142</u>	<u>142,726</u>

6. RELATED PARTY TRANSACTIONS

The company was under the control of Mr M J Palin throughout the current year and previous year. Mr M J Palin is the managing director and controlling shareholder.

During the year the company paid management charges of £110,000 (1998 £110,000) to Watling Hope (Installations) Limited, and sold £19,680 (1998 Nil) to Watling Hope (Installations) Limited for goods

and services supplied. At 31st July 1999 the company owed Watling Hope (Products) Limited £35,274 (1998 Creditor £25,323), and Watling Hope Installations Limited owed the company £31,376 (1998 Creditor £6,980). Mr M J Palin is a director of both companies and the controlling shareholder.

During the year the company purchased goods and services amounting to £47,740 (1998 Nil) from WPL Limited and sold goods and services amounting to £2,817 (1998 Nil) to WPL Limited, a company of which Mr M J Palin is a director. At 31st July 1999 the company owed WPL Limited £10,407 (1998 Nil).

All the above transactions were made at arms length.

WATLING HOPE (SERVICE) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1999

7. SHARE CAPITAL

Authorised share capital:

	1999	1998
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

Allotted, called up and fully paid:

	1999	1998
	£	£
Ordinary share capital	<u>88</u>	<u>88</u>