

**WATLING HOPE (SERVICE) LIMITED**  
**FINANCIAL STATEMENTS**  
**31ST JULY 1998**

**Company Registration Number 2837339**

**THE GRAHAM FULFORD PARTNERSHIP**

Chartered Accountants  
61 Bedford Street  
Leamington Spa  
Warwickshire  
CV32 5DN



**WATLING HOPE (SERVICE) LIMITED**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED 31ST JULY 1998**

<b>CONTENTS</b>	<b>PAGE</b>
The directors' report	1
Profit and loss account	3
Balance sheet	4
Notes to the financial statements	5

**The following pages do not form part of the financial statements**

Accountants' report to the directors	9
Detailed profit and loss account	10
Notes to the detailed profit and loss account	11

# WATLING HOPE (SERVICE) LIMITED

## THE DIRECTORS' REPORT

YEAR ENDED 31ST JULY 1998

The directors have pleasure in presenting their report and the unaudited financial statements of the company for the year ended 31st July 1998.

### 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 1998	At 1 August 1997
Mr M J Palin	76	76
Mr G Mansell	12	12
	<hr/>	<hr/>

### 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 5, 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.

**WATLING HOPE (SERVICE) LIMITED**

**THE DIRECTORS' REPORT** *(continued)*

**YEAR ENDED 31ST JULY 1998**

**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 28 May 1999

# WATLING HOPE (SERVICE) LIMITED

## PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST JULY 1998

	Note	1998 £	1997 £
<b>TURNOVER</b>		341,313	225,059
Cost of sales		215,085	162,492
<b>GROSS PROFIT</b>		126,228	62,567
<b>Distribution costs</b>		-	202
Administrative expenses		125,814	61,938
<b>OPERATING PROFIT</b>		414	427
<b>Interest receivable</b>		3	-
Interest payable		(15)	(10)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		402	417
Tax on profit on ordinary activities	2	83	101
<b>RETAINED PROFIT FOR THE FINANCIAL YEAR</b>		319	316
<b>Balance brought forward</b>		1,229	913
Balance carried forward		1,548	1,229

The notes on pages 5 to 7 form part of these financial statements.

# WATLING HOPE (SERVICE) LIMITED

## BALANCE SHEET

31ST JULY 1998

	Note	1998		1997
		£	£	£
<b>CURRENT ASSETS</b>				
Stocks		24,886		14,229
Debtors	3	105,291		86,981
Cash at bank and in hand		14,184		8,314
		<u>144,361</u>		<u>109,524</u>
<b>CREDITORS: Amounts falling due within one year</b>	4	<u>(142,725)</u>		<u>(108,207)</u>
<b>NET CURRENT ASSETS</b>			<u>1,636</u>	<u>1,317</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>1,636</u>	<u>1,317</u>
<b>CAPITAL AND RESERVES</b>				
Called-up equity share capital	6		88	88
Profit and loss account	7		<u>1,548</u>	<u>1,229</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,636</u>	<u>1,317</u>

The directors are satisfied that the company is entitled to exemption from the provisions of the Companies Act 1985 (the Act) relating to the audit of the accounts for the year by virtue of section 249A(1), and that no member or members have requested an audit pursuant to section 249B(2) of the Act.

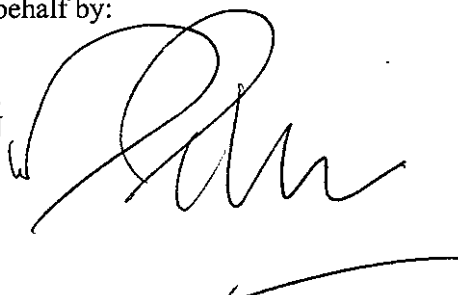
The directors acknowledge their responsibilities for:

- (i) ensuring that the company keeps proper accounting records which comply with section 221 of the Act, and
- (ii) preparing accounts 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 financial year in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Act relating to financial statements, so far as applicable to the company.

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 1999).

These financial statements were approved by the directors on the 28th Nov 1999 and are signed on their behalf by:

.....  
MR M J PALIN



# WATLING HOPE (SERVICE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1998

### 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 1999).

#### 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. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1998 £	1997 £
In respect of the year:		
Corporation tax based on the results for the year at 21% (1997 - 23%)	86	101
Adjustment in respect of previous years:		
Corporation tax	(3)	-
	<u>83</u>	<u>101</u>

### 3. DEBTORS

	1998 £	1997 £
Trade debtors	104,860	59,500
VAT recoverable	-	4,361
Other debtors	431	23,120
	<u>105,291</u>	<u>86,981</u>

# WATLING HOPE (SERVICE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST JULY 1998

### 4. CREDITORS: Amounts falling due within one year

	1998		1997	
	£	£	£	£
Trade creditors		63,439		64,720
Other creditors including:				
Corporation tax	86		98	
Other Taxes and Social Security	716		-	
Inter-Company creditors	32,303		11,918	
		33,105		12,016
Accruals and deferred income		46,181		31,471
		<u>142,725</u>		<u>108,207</u>

### 5. 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 sold goods and services amounting to £5,522 (1997 £3,662) and £4,326 (1997 £9,620) to Watling Hope (Products) Limited and Watling Hope (Installations) Limited respectively. The company also paid management charges of £110,000 (1997 £54,000) to Watling Hope (Installations) Limited. At 31st July 1997 the company owed Watling Hope (Products) Limited £25,323 (1997 £11,918), and owed Watling Hope (Installations) Limited £6,980 (1997 Debtor £23,120). Mr M J Palin is a director of both companies and the controlling shareholder.

All the above transactions were made at arms length.

### 6. SHARE CAPITAL

Authorised share capital:

	1998	1997
	£	£
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Allotted, called up and fully paid:		
	1998	1997
	£	£
Ordinary share capital	<u>88</u>	<u>88</u>



**WATLING HOPE (SERVICE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 31ST JULY 1998****7. PROFIT AND LOSS ACCOUNT**

	<b>1998</b>	<b>1997</b>
	<b>£</b>	<b>£</b>
Balance brought forward	1,229	913
Retained profit for the financial year	319	316
Balance carried forward	<u>1,548</u>	<u>1,229</u>