

REGISTRAR'S COPY

FOWLER SWIMMING POOLS LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1999



Company No. 3491718

FOWLER SWIMMING POOLS LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 1999

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FOWLER SWIMMING POOLS LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 31 December 1999.

Principal activities

The company is principally engaged in the construction, service and maintenance of swimming pools and the supply of associated chemicals and equipment.

Results and dividends

The profit for the year after taxation amounted to £70,171. The directors recommend the payment of a dividend of £10,000 and the profit retained of £60,171 has been transferred to reserves.

Review of the business

It was an outstandingly successful year, special emphasis being placed upon development of service contracts to meet customers' individual requirements for regular maintenance.

The appointment of the pool service manager, Malcolm Child, to the Board from 1 January 2000, is expected to further strengthen the management team.

The poor weather in the early part of the year 2000 has caused a less frantic start to the current year, but the directors are confident that a good level of profitability will continue to be achieved.

Directors

The directors in office throughout the year and their interests in the shares of the company at 1 January 1999 and at 31 December 1999 as recorded in the register maintained by the company in accordance with the provisions of the Companies Act 1985, were as follows:

	Ordinary shares of £1 each	
	31 December 1999	1 January 1999
M J Denyer	250	250
T R Holman	240	240

The directors are both directors of the parent undertaking, Fowler Bros. Limited, and their interests in the shares of that company are disclosed in its financial statements.

M Child was appointed a director on 1 January 2000.

FOWLER SWIMMING POOLS LIMITED

REPORT OF THE DIRECTORS

Statement of directors' responsibilities for the financial statements

Company law in the United Kingdom 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 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; and
- * 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.


Year 2000

The company suffered no impact from the year 2000 date change nor did any of its major customers, suppliers or trading partners.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

By Order of the Board


M J DENYER
Secretary

Registered office:

Cowfold
HORSHAM
West Sussex
RH13 8BS

12 June 2000

AUDITORS' REPORT TO THE MEMBERS OF

FOWLER SWIMMING POOLS LIMITED

We have audited the financial statements on pages 4 to 12 which have been prepared under the accounting policies set out on pages 4 and 5.

Respective responsibilities of directors and auditors

As described on page 2 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. 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 United Kingdom 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.

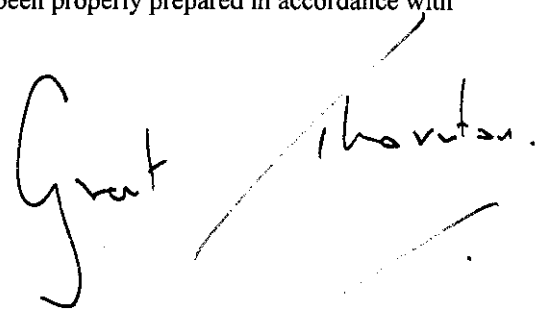
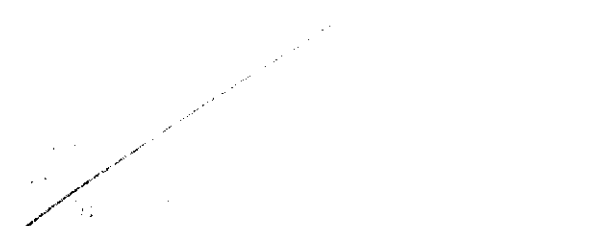
Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs at 31 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

Brighton

20 June 2000

FOWLER SWIMMING POOLS LIMITED

ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention.

The principal accounting policies of the company are set out below and have remained unchanged from the previous period.

TURNOVER

Turnover is the total amount receivable by the company in the ordinary course of business for goods supplied as a principal and services provided, excluding VAT and trade discounts.

In the case of long term contracts, turnover reflects the contract activity of the year.

DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets over their expected useful lives.

The rates generally applicable are:

Office equipment	25% - straight line
Plant and machinery	10% - reducing balance
Motor vehicles	25% - reducing balance

LONG-TERM CONTRACT WORK

Profit is accounted for once the outcome of a contract can be assessed with reasonable certainty and is based on the appropriate stage of completion of the contract.

Costs incurred to carry out work on long-term contracts are matched with long-term contract work included in turnover. Where costs cannot be matched with contract work accounted for as turnover, such amounts are included in stock.

Provision is made for foreseeable losses on all contracts based on the loss which is currently estimated to arise over the duration of any contract, irrespective of the amount of work carried out at the balance sheet date.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAX

Deferred tax is provided for under the liability method using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

FOWLER SWIMMING POOLS LIMITED

ACCOUNTING POLICIES

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. Leasing payments on such assets are regarded as consisting of a capital element which reduces the outstanding liability and an interest charge.

All other leases are regarded as operating leases and the total payments made under them are charged to the profit and loss account on a straight line basis over the lease term.

CONTRIBUTIONS TO PENSION FUNDS

The company contributes to the Building and Civil Engineering Benefits Scheme and the Plumbing and Mechanical Services (UK) Industry Pension Scheme. The pension costs charged against profits represent the amount of contributions payable to the schemes in respect of the accounting period.

FOWLER SWIMMING POOLS LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 31 December 1999

	Note	Year ended 31 December 1999 £	Period ended 31 December 1998 £
Turnover	1	1,374,667	1,063,232
Cost of sales		<u>1,092,980</u>	<u>865,078</u>
Gross profit		281,687	198,154
Administrative expenses		<u>188,685</u>	<u>155,431</u>
Operating profit		93,002	42,723
Net interest receivable		<u>1,141</u>	<u>-</u>
Profit on ordinary activities before taxation	1	94,143	42,723
Tax on profit on ordinary activities	3	<u>23,972</u>	<u>9,000</u>
Profit on ordinary activities after taxation		70,171	33,723
Dividends	4	<u>10,000</u>	<u>-</u>
Profit retained for the financial period	10,11	<u>60,171</u>	<u>33,723</u>

There were no recognised gains or losses other than the profit for the financial period.

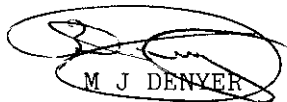

The accompanying accounting policies and notes form an integral part of these financial statements.

FOWLER SWIMMING POOLS LIMITED

BALANCE SHEET AT 31 DECEMBER 1999

	Note	1999 £	1998 £
Fixed assets	5	<u>2,488</u>	<u>-</u>
Current assets			
Stocks	6	42,762	73,963
Debtors	7	167,464	119,540
Cash in hand		<u>75,727</u>	<u>24,860</u>
		285,953	218,363
Creditors: amounts falling due within one year	8	<u>193,547</u>	<u>183,640</u>
Net current assets		<u>92,406</u>	<u>34,723</u>
Net assets		<u>94,894</u>	<u>34,723</u>
Capital and reserves			
Called up share capital	9	1,000	1,000
Profit and loss account	10	<u>93,894</u>	<u>33,723</u>
Shareholders' funds	11	<u>94,894</u>	<u>34,723</u>

The financial statements were approved by the Board of Directors on 12.6.2000


 M J DENVER

 T HOLMAN

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) DIRECTORS
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The accompanying accounting policies and notes form an integral part of these financial statements.

FOWLER SWIMMING POOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

1 TURNOVER AND PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION.

The turnover and profit on ordinary activities before taxation are attributable to one activity, the construction, service and maintenance of swimming pools and the supply of associated chemicals, wholly conducted within the United Kingdom.

Profit on ordinary activities is stated after:

	Year ended 31 December 1999 £	Period ended 31 December 1998 £
Auditors' remuneration	1,500	1,500
Depreciation	598	-
Hire of plant and equipment	<u>26,467</u>	<u>26,247</u>

2 DIRECTORS AND EMPLOYEES

The average number of employees of the company during the period and their aggregate emoluments are shown below:

	Year ended 31 December 1999 £	Period ended 31 December 1998 £
Wages and salaries	265,522	156,305
Social security	22,721	11,413
Pension costs	<u>5,406</u>	<u>2,094</u>
	<u>293,649</u>	<u>169,812</u>
Average number of employees		
	Number	Number
Direct labour	11	9
Office and administration	<u>4</u>	<u>2</u>
	<u>15</u>	<u>11</u>

Included in the above is directors' remuneration of £32,549. In addition to this amount a recharge of £27,992 (1998: £44,186) was made by the parent undertaking which has not been included in staff costs above, in respect of services carried out on behalf of this company by the directors.

FOWLER SWIMMING POOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

3 TAX ON PROFIT ON ORDINARY ACTIVITIES

The tax charge is based on the profit for the period and is made up as follows:

	Year ended 31 December 1999 £	Period ended 31 December 1998 £
UK Corporation tax at 30% / 31% (1998: 21%)	24,000	9,000
Adjustment in respect of prior year	(28)	-
Corporation tax	<u>23,972</u>	<u>9,000</u>

4 DIVIDENDS

	1999 £	1998 £
Ordinary shares - proposed final dividend of £10 per share (1998: £Nil)	<u>10,000</u>	<u>-</u>

5 FIXED ASSETS

	Total £	Plant and machinery £	Motor vehicles £	Office equipment £
Cost				
Inter company transfers and At 31 December 1999	<u>43,005</u>	<u>32,048</u>	<u>8,162</u>	<u>2,795</u>
Depreciation				
Charge for the year	598	444	154	-
Inter company transfer	<u>39,919</u>	<u>30,274</u>	<u>7,548</u>	<u>2,097</u>
At 31 December 1999	<u>40,517</u>	<u>30,718</u>	<u>7,702</u>	<u>2,097</u>
Net book amounts				
At 31 December 1999	<u>2,488</u>	<u>1,330</u>	<u>460</u>	<u>698</u>

6 STOCKS

	1999 £	1998 £
Raw materials	40,251	33,987
Work in progress (net of amounts invoiced of £41,899 (1998: £206,219))	<u>2,511</u>	<u>39,976</u>
	<u>42,762</u>	<u>73,963</u>

There were no significant differences between the replacement cost and the values disclosed for stocks.

FOWLER SWIMMING POOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

7 DEBTORS

	1999 £	1998 £
Amounts falling due within one year:		
Trade debtors	97,718	93,947
Amounts owed by group undertakings	6,723	1,782
Amounts recoverable on contracts	59,212	23,011
Prepayments	3,613	800
Other debtors	198	-
	<u>167,464</u>	<u>119,540</u>

8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	1999 £	1998 £
Trade creditors	34,739	33,561
Amounts invoiced in advance	5,000	10,747
Amounts owed to group undertakings	68,970	94,797
Corporation tax	24,000	9,000
Social security and other taxes	33,519	23,363
Accruals and deferred income	16,939	6,153
Other creditors	10,380	6,019
	<u>193,547</u>	<u>183,640</u>

9 CALLED UP SHARE CAPITAL

	1999 £	1998 £
Authorised, allotted, called up and fully paid 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

10 PROFIT AND LOSS ACCOUNT

	£
At 1 January 1999	33,723
Profit for the year	<u>60,171</u>
At 31 December 1999	<u>93,894</u>

FOWLER SWIMMING POOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

11 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999	1998
	£	£
Shareholders' funds at start of period	34,723	-
Profit on ordinary activities after taxation	70,171	33,723
Dividends payable	(10,000)	-
Profit retained for the financial period	60,171	33,723
Shares issued in the period	-	1,000
Shareholders' funds at 31 December	<u>94,894</u>	<u>34,723</u>

12 CAPITAL COMMITMENTS

The company had no capital commitments at 31 December 1999 or at 31 December 1998.

13 CONTINGENT LIABILITIES

There were no contingent liabilities at 31 December 1999 or at 31 December 1998.

14 ULTIMATE PARENT UNDERTAKING

The ultimate parent undertaking of this company is Fowler Bros. Limited which is registered in England and Wales.

15 OPERATING LEASE COMMITMENTS

The company is committed to leasing payments of **£24,180** (1998: £21,060) within the next year for leases expiring within one year.

FOWLER SWIMMING POOLS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 1999

16 RELATED PARTY TRANSACTIONS

The following transactions were undertaken with related parties:

- a The company purchased goods amounting to **£11,695** (1998: £207,689) from Fowler Bros. (Cowfold) Limited, a wholly owned subsidiary of Fowler Bros. Limited and made sales to Fowler Bros. (Cowfold) Limited of **£37,684** (1998: £36,575). There were no administration expenses recharged from Fowler Bros. (Cowfold) Limited (1998: £49,253). Fixed assets valued at **£3,086** were transferred from Fowler Bros. (Cowfold) Limited.
- b Sales totalling **£78,428** (1998: £79,301) were made to Fowler Bros. (Whyteleafe) Limited, a 51% subsidiary of Fowler Bros. Limited. Purchases from Fowler Bros. (Whyteleafe) Limited amounted to **£1,842** (1998: £Nil).
- c A charge of **£27,992** (1998: £44,186) was made by Fowler Bros. Limited, the holding company, in respect of director's remuneration, together with **£3,900** (1998: £4,050) in respect of car hire and **£15,119** (1998: £11,833) in respect of rent and rates.
- d Sales totalling **£2,051** and purchases amounting to **£8,076** were made with Fowler Building Contractors Limited, a 51% subsidiary of Fowler Bros. Limited.

17 COMPARATIVE FIGURES

The comparative figures are from the period from 13 January 1998 to 31 December 1998.