

BITIDOL LIMITED T/A " HYDROSPEC "

Financial Statements

for the year ended 31st December 1999



Chairman

Mr J W D Cheek

Registered Office

57a Broadway
Leigh on Sea
Essex
SS9 1PE

Directors

Mr J W D Cheek
Mrs F E Cheek

Secretary

Mrs F E Cheek

Auditors

Buckley Watson
57a Broadway
Leigh on Sea
Essex
SS9 1PE

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Directors' Report

for the year ended 31st December 1999

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

Directors' Statement

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 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;

State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;

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 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.

Results and Dividends

The profit on the ordinary activities of the company before taxation amounted to £36,352. After deducting taxation and dividends, the profit of £16,055 has been transferred to reserves.

The directors recommend interim dividends amounting to £12,000 and no final dividends.

Principal Activity and Business Review

The principal activity of the company continued to be that of the design, construction and maintenance of swimming pools..

Directors and their Interests

The directors who served during the year and their beneficial interests in the share capital of the company were as follows:

	Ordinary shares of £1 each	
	1999	1998
	No.	No.
Mr J W D Cheek	5,500	5,500
Mrs F E Cheek	2,500	2,500

Auditors

The Auditors, Buckley Watson Chartered Accountants, have indicated that they are willing to be reappointed at the forthcoming Annual General Meeting.

By Order of the Board:

frances cheek
X Mrs F E Cheek, Secretary X

6th April 2000

Auditors' Report to the Shareholders

on the Financial Statements for the year ended 31st December 1999

We have audited the financial statements on pages 3 to 9, which have been prepared under the historical cost convention and the accounting policies set out on page 5.

Respective responsibilities of the directors and 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.

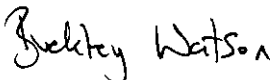
Basis of opinion

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 information and explanations which we consider 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, other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of the 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 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**Buckley Watson
Chartered Accountants
and Registered Auditors**

57a Broadway
Leigh on Sea
Essex
SS9 1PE

6th April 2000

BITIDOL LIMITED T/A " HYDROSPEC "**Profit and Loss Account****for the year ended 31st December 1999**

	Notes	1999 £	1998 £
Turnover	2	688,980	647,139
Cost of sales		(438,240)	(399,037)
Gross profit		250,740	248,102
Administrative expenses		(214,654)	(204,570)
Operating profit	3	36,086	43,532
Interest receivable	5	266	67
Profit on ordinary activities before Taxation		36,352	43,599
Tax on profit on ordinary activities	6	(8,297)	(9,864)
Profit on ordinary activities after Taxation		28,055	33,735
Dividends	7	(12,000)	(12,000)
Retained profit transferred to reserves		16,055	21,735
Retained profit brought forward		88,839	67,104
Retained profit carried forward		104,894	88,839

All amounts relate to continuing activities.

There have been no recognised gains or losses, other than the results for the financial year, and all profits or losses have been accounted for on an historical cost basis.

Balance Sheet

as at 31st December 1999

	Notes	1999 £	1999 £	1998 £	1998 £
Fixed Assets					
Tangible fixed assets	8		41,068		50,363
Current Assets					
Stock	9	40,774		22,334	
Debtors	10	95,944		76,370	
Cash at bank		33,258		20,098	
		169,976		118,802	
Creditors:					
Amounts falling due within one year	11	(98,150)		(70,189)	
Net Current Assets			71,826		48,613
Total Assets Less Current Liabilities			112,894		98,976
Creditors:					
Amounts falling due after more than one year	12		-		(2,137)
			112,894		96,839
Capital and Reserves					
Share capital	14		8,000		8,000
Profit and loss account			104,894		88,839
Equity Shareholders' Funds	15		112,894		96,839

These accounts were approved by the board on 6th April 2000.

J W D Cheek

Mrs F E Cheek

Directors

1 Principal Accounting Policies***Accounting Convention***

The financial statements have been prepared in accordance with applicable Accounting Standards under the historical cost convention.

Turnover

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

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:

Plant and machinery	25% reducing balance basis
Motor vehicles	25% reducing balance basis
Furniture and equipment	25% reducing balance basis

Stocks

Stocks are stated at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress and finished goods includes all production overheads and depreciation and the attributable proportion of indirect overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Contribution to Pension Funds

(For a Defined Contribution Scheme)

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

Leased Assets

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

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

2 Turnover

The turnover and operating profit for the year was derived from the company's principal activity and was carried out wholly in the UK.

Notes to the Financial Statements

for the year ended 31st December 1999

3 Operating Profit

The operating profit is stated after charging:

	1999	1998
	£	£
Amounts payable to the auditors in respect of audit services	3,450	3,250
Depreciation - owned assets	11,016	11,393
Depreciation - assets held under hire purchase or finance lease contracts	2,267	6,143
	<u>16,733</u>	<u>20,786</u>

4 Directors and Employees

Staff costs during the year were as follows:

	1999	1998
	£	£
Wages and salaries	206,055	187,791
Other pension costs	17,217	15,012
	<u>223,272</u>	<u>202,803</u>

Wages and salaries include employers National Insurance contributions of £18,995 (1998 £16,954).

Remuneration in respect of directors was as follows:

	1999	1998
	£	£
Aggregate amount of emoluments paid in respect of qualifying services	<u>88,675</u>	<u>79,275</u>

5 Interest Receivable

	1999	1998
	£	£
Interest receivable	<u>266</u>	<u>67</u>

6 Tax on Profit on Ordinary Activities

	1999	1998
	£	£
Based on the profit for the year:		
U.K. Corporation tax at 21% (1998 21%)	<u>8,297</u>	<u>9,864</u>

7 Dividends

	1999	1998
	£	£
Equity		
Ordinary £1 shares - interim paid of £1.50 per share (1998 £1.50)	<u>12,000</u>	<u>12,000</u>

Notes to the Financial Statements

for the year ended 31st December 1999

8 Tangible Fixed Assets

	Plant and machinery	Motor vehicles	Furniture and equipment	Total
Cost	£	£	£	£
At 1st January 1999	27,109	90,016	25,896	143,021
Additions	2,000	-	1,990	3,990
At 31st December 1999	29,109	90,016	27,886	147,011
Depreciation				
At 1st January 1999	19,004	55,203	18,453	92,660
Charged for the year	2,527	8,705	2,051	13,283
At 31st December 1999	21,531	63,908	20,504	105,943
Net Book Value				
Owned assets	7,578	19,310	7,382	34,270
Leased assets	-	6,798	-	6,798
At 31st December 1999	7,578	26,108	7,382	41,068
Owned assets	8,105	16,384	7,443	31,932
Leased assets	-	18,429	-	18,429
At 31st December 1998	8,105	34,813	7,443	50,361

9 Stocks

	1999 £	1998 £
Loose tools	1,500	1,500
Goods for re-sale	39,274	20,834
	40,774	22,334

10 Debtors

	1999 £	1998 £
Trade debtors	94,491	74,829
Other debtors	1,453	1,541
	95,944	76,370

Notes to the Financial Statements

for the year ended 31st December 1999

11	Creditors: Amounts falling due within one year	1999	1998
		£	£
	Net obligations under hire purchase and finance lease contracts	2,564	8,456
	Trade creditors	48,088	17,083
	Corporation tax	8,297	9,864
	Other taxes and social security	23,001	15,786
	Directors' loan account	12,000	15,000
	Other creditors	4,200	4,000
		<u>98,150</u>	<u>70,189</u>

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

12	Creditors: Amounts falling due after one year	1999	1998
		£	£
	Net obligations under hire purchase and finance lease contracts	-	2,137
		<u>-</u>	<u>2,137</u>

Obligations under hire purchase and finance lease contracts are secured on the assets concerned.

13	Obligations Under Hire Purchase and Finance Lease	1999	1998
		£	£
	Obligations under finance leases and hire purchase contracts are analysed as follows:		
	Within one year	<u>2,564</u>	<u>8,456</u>

Obligations under finance leases and hire purchase contracts are secured on the assets concerned.

14	Share Capital		
	Authorised	1999	1998
		£	£
	8,000 Ordinary shares of £1 each (1998: 8,000)	<u>8,000</u>	<u>8,000</u>
		<u>8,000</u>	<u>8,000</u>
	Allotted, called up and fully paid	1999	1998
		£	£
	8,000 Ordinary shares of £1 each (1998: 8,000)	<u>8,000</u>	<u>8,000</u>

Notes to the Financial Statements

for the year ended 31st December 1999

15	Reconciliation of the Movement in Shareholders' Funds	1999	1998
		£	£
	Profit for the financial year	28,055	33,735
	Dividends	(12,000)	(12,000)
		<u>16,055</u>	<u>21,735</u>
	Increase in shareholders' funds	16,055	21,735
	Opening shareholders' funds	96,839	75,104
	Closing shareholders' funds	<u>112,894</u>	<u>96,839</u>

16 Pensions - Defined Contribution Scheme

The company operates a defined contribution pension scheme for the benefit of the directors. The assets of the scheme are administered by trustees in a fund independent from those of the company.