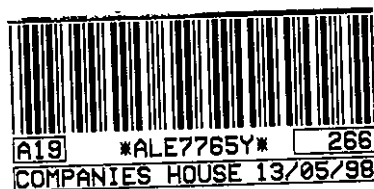


ENVIRONMENTAL DRAIN SERVICES LIMITED

FINANCIAL STATEMENTS

For the year ended 31 December 1997

Registered no. 03295799



**BEVIS PREST**

*Chartered Accountants*

First Floor, 32/34 High Street, Ringwood, Hampshire, BH24 1AG

# ENVIRONMENTAL DRAIN SERVICES LIMITED

## Report of the Directors

The directors present their annual report with the accounts of the company for the period ended 31 December 1997. The company was incorporated on 23 December 1996 and immediately commenced trading.

### Principal activity

The principal activity of the company is civil engineering.

### Directors

The directors in office in the year and their beneficial interests in the company's issued ordinary share capital were as follows:

- P J Green	75
- A C Hooper	25

### Directors responsibilities

Company law requires the directors to prepare accounts 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 accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards, subject to any material departures disclosed and explained in the accounts;
- prepare the accounts 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 accounts 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.

In preparing the above report, the directors have taken advantage of special exemptions applicable to small companies provided by Part II of Schedule 8 to the Companies Act 1985.

Signed on behalf of the board by:



Mrs F M Green  
Company Secretary  
28 April 1998

# ENVIRONMENTAL DRAIN SERVICES LIMITED

## **Auditors' report to the shareholders of Environmental Drain Services Limited**

We have audited the accounts set out on pages 3 to 7 which have been prepared in accordance with the accounting policies set out on page 5.

### **Respective responsibilities of directors and auditors**

As described on page 1, the company's directors are responsible for the preparation of the accounts. It is our responsibility to form an independent opinion, based on our audit, on those accounts 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 accounts. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the accounts, 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 accounts 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 accounts.

### **Opinion**

In our opinion the accounts give a true and fair view of the state of the company's affairs as at 31 December 1997 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

*Bevis Prest*

BEVIS PREST

*Chartered Accountants and Registered Auditors*

Ringwood

Hampshire

30 April 1998

# ENVIRONMENTAL DRAIN SERVICES LIMITED

## Profit and Loss Account for the year ended 31 December 1997

	<i>Notes</i>	<b>1997</b> £
Turnover	2	463,627
Cost of sales		(299,722)
<b>Gross profit</b>		<u>163,905</u>
Administrative expenses		(72,355)
<b>Operating profit</b>	3	<u>91,550</u>
Interest payable		(5,939)
<b>Profit on ordinary activities before taxation</b>		<u>85,611</u>
Taxation		(18,790)
<b>Profit on ordinary activities after taxation</b>		<u>66,820</u>
Dividend	4	(20,000)
<b>Profit retained for the financial year</b>		<u><u>46,820</u></u>

The company has no recognised gains and losses other than the profit or loss for the period.

Turnover and profit is wholly derived from continuing operations.

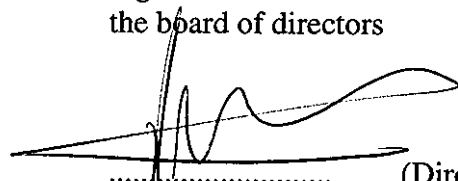
# ENVIRONMENTAL DRAIN SERVICES LIMITED


## Balance Sheet as at 31 December 1997

	<i>Notes</i>	<b>1997</b> £
<b>Fixed assets</b>		
Tangible	5	79,640
<b>Current assets</b>		
Debtors	6	74,370
Cash at bank and in hand		10,967
		<u>85,337</u>
<b>Creditors:</b>		
amounts falling due within one year	7	<u>(114,548)</u>
<b>Net current assets</b>		<u>(29,211)</u>
		50,429
<b>Creditors:</b>		
amounts falling due after one year	8	(2,778)
Provision for liabilities and charges		(731)
<b>Net assets</b>		<u><u>46,920</u></u>
<b>Capital and reserves</b>		
Called up share capital	9	100
Profit and loss account		46,820
<b>Shareholders' funds</b>	10	<u><u>46,920</u></u>

The directors have taken advantage of special exemptions conferred by Part I of Schedule 8 to the Companies Act 1985 applicable to small companies in the preparation of the accounts and have done so on the grounds that, in their opinion, the company qualifies as a small company.

Signed on behalf of  
the board of directors

  
..... (Director)  
P J Green

  
..... (Director)  
A C Hooper

Approved by the board: 28 April 1998

# ENVIRONMENTAL DRAIN SERVICES LIMITED

## Notes to the accounts 31 December 1997

### 1 Accounting policies

#### *Basis of accounting*

The accounts have been prepared under the historical cost convention.

#### *Turnover*

Turnover represents net invoiced sales of goods and services provided, net of value added tax.

#### *Tangible fixed assets*

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life:

Office equipment	20% - straight line
Computer equipment	33% - straight line
Plant & machinery	25% - straight line
Motor vehicles	25% - straight line

#### *Deferred taxation*

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

#### *Leased assets*

Rentals applicable to operating leases where substantially all the benefits and risks of ownership remain with the lessor are charged against profit as incurred.

Assets held under finance leases and hire purchase contracts are capitalised and depreciated over their useful lives. The corresponding leases or hire purchase obligation is treated in the balance sheet as a liability. The interest element of the rental obligation is charged to profit and loss account over the period of the lease at a constant proportion of the outstanding balance of capital repayments.

### 2 Turnover

All turnover is attributable to geographical markets within the United Kingdom.

# ENVIRONMENTAL DRAIN SERVICES LIMITED

## Notes to the accounts (continued)

### 3 Operating profit

The operating profit is stated after charging:

	1997 £
- Depreciation of owned tangible fixed assets	11,365
- Depreciation of financed tangible fixed assets	2,756
- Operating lease charges - other	1,820
- Interest charged	5,939
- Auditors' remuneration	1,800
	<u>18,000</u>
Directors' emoluments - For services as directors	<u>18,000</u>

### 4 Dividends

	1997 £
Dividend on ordinary shares (£200.00p per share)	<u>20,000</u>

### 5 Tangible fixed assets

	Freehold Property	Motor Vehicles	Plant and machinery	Furniture & Fittings	Computer Equipment	Total
	£	£	£	£	£	£
<i>Cost or valuation</i>						
At 23 December 1996	30,000	19,500	12,850	-	1,711	64,061
- Additions	-	15,624	25,735	872	5,657	47,888
- Disposals	-	(14,500)	(5,500)	-	-	(20,000)
At 31 December 1997	<u>30,000</u>	<u>20,624</u>	<u>33,085</u>	<u>872</u>	<u>7,368</u>	<u>91,949</u>
<i>Depreciation</i>						
At 23 December 1996	-	-	-	-	-	-
- Charge for year	-	6,968	5,514	155	1,484	14,121
- Disposals	-	(1,812)	-	-	-	(1,812)
At 31 December 1997	<u>-</u>	<u>5,156</u>	<u>5,514</u>	<u>155</u>	<u>1,484</u>	<u>12,309</u>
<i>Net book values</i>						
At 31 December 1997	<u>30,000</u>	<u>15,468</u>	<u>27,571</u>	<u>717</u>	<u>5,884</u>	<u>79,640</u>
At 23 December 1996	<u>30,000</u>	<u>19,500</u>	<u>12,850</u>	<u>-</u>	<u>1,711</u>	<u>64,061</u>