

953010

MURPHY ENVIRONMENTAL SYSTEMS LIMITED

DIRECTORS' REPORT & ACCOUNTS

YEAR ENDED 31ST DECEMBER, 1998



MURPHY ENVIRONMENTAL SYSTEMS LIMITEDREPORT OF THE DIRECTORS

The directors present their annual report together with the audited accounts of the company for the year ended 31st December, 1998.

RESULTS

This company did not trade during the year.

DIVIDENDS

The directors do not recommend the payment of a dividend.

PRINCIPAL ACTIVITY

The principal activity of the company was that of mechanical and electrical contractors for the supply and erection of high pressure baling plant and of distributors of related products.

The trade of the company was sold on 29th July, 1996.

DIRECTORS

The directors who have served during the year were:-

J. Murphy (Chairman)
E. Murphy
M. O'Connell

The directors have no interests in the company's shares.

Approved by the Board on 5th October 1999 and signed on its behalf

Mag

- SECRETARY

MURPHY ENVIRONMENTAL SYSTEMS LIMITEDNO. OF COMPANY - 953010YEAR ENDED 31ST DECEMBER, 1998DIRECTORS' 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 and of the profit or loss of the company for that period. In preparing those financial statements, the directors are required to:-

- (i) Select suitable accounting policies and apply them consistently.
- (ii) State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- (iii) Make judgements and estimates that are reasonable and prudent.
- (iv) 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 ensure that 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.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF MURPHY ENVIRONMENTAL SYSTEMS LIMITED

We have audited the financial statements on pages 4 to 8 which have been prepared under the historical cost convention and the accounting policies set out on page 6.

Respective responsibilities of directors and auditors

As described above the company's directors are responsible for the preparation of 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 mis-statement, 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.

MURPHY ENVIRONMENTAL SYSTEMS LIMITEDNO. OF COMPANY - 953010YEAR ENDED 31ST DECEMBER, 1998Opinion

In our opinion, the financial statements give a true and fair view of the state of the company's affairs at 31st December, 1998 and have been properly prepared in accordance with the provisions of the Companies Act 1985.

APEX HOUSE,
GRAND ARCADE,
NORTH FINCHLEY,
LONDON. N12 0EJ.



CHARTERED ACCOUNTANTS
REGISTERED AUDITOR
DATE: 10th October, 1999

MURPHY ENVIRONMENTAL SYSTEMS LIMITEDPROFIT AND LOSS ACCOUNTYEAR ENDED 31ST DECEMBER, 1998

	<u>Notes</u>	<u>1998</u>	<u>1997</u>
<u>TURNOVER</u>	2	-	3,430
<u>OTHER OPERATING INCOME</u>	3	-	2,470
		-----	-----
		-	5,900
<u>OPERATING COSTS</u>	4	-	(8,259)
		-----	-----
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES BEFORE TAXATION</u>		-	14,159
Tax on profit on ordinary activities	5	-	3,078
		-----	-----
<u>PROFIT ON ORDINARY</u> <u>ACTIVITIES AFTER TAXATION</u>		-	11,081
Reserves brought forward		-	-
		-----	-----
		-	11,081
<u>DIVIDENDS</u>		-	11,081
		-----	-----
<u>RESERVES CARRIED FORWARD</u>		-	-
		=====	=====


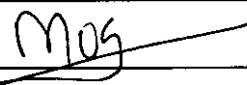
NOTES

1. All operations of the company during the current and preceding year are discontinued operations.
2. There are no gains or losses recognised which are attributable to shareholders and which are not included in the profit and loss account.

MURPHY ENVIRONMENTAL SYSTEMS LIMITEDBALANCE SHEETAT 31ST DECEMBER, 1998

	<u>Notes</u>		<u>1998</u>	<u>1997</u>
<u>CURRENT ASSETS</u>				
Debtors	6	31,129	36,464	
<u>CREDITORS</u>				
Amounts falling due within one year	7	31,029 -----	36,364 -----	
<u>NET CURRENT ASSETS</u>			100	100
			---	---
<u>TOTAL ASSETS LESS CURRENT LIABILITIES</u>			£100 ===	£100 ===
<u>CAPITAL AND RESERVES</u>				
Called up share capital	8		100	100
Profit and loss account	9		-	-
			---	---
			£100 ===	£100 ===

Approved by the Board on 5th October 1999 and signed on its behalf



)
) DIRECTORS
)

MURPHY ENVIRONMENTAL SYSTEMS LIMITEDNOTES TO THE ACCOUNTS**1. ACCOUNTING POLICIES**

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the company's accounts:-

Basis of accounting

The accounts have been prepared under the historical cost convention.

Cash flow statement

The company has taken advantage of the exemption in FRS 1 from the requirement to prepare a cash flow statement on the grounds that it is a wholly owned subsidiary and is included in the publicly available consolidated financial statements.

Accounting standards

The accounts comply with all Statements of Standard Accounting Practice (SSAPs) and Financial Reporting Standards (FRSs) in so far as they are material to these accounts.

2. TURNOVER

Turnover represents the value of work executed during the year, exclusive of value added tax.

Turnover and pre-tax profit is attributable to one activity, the "principal activity".

An analysis of turnover by geographical market is as follows:-

	<u>1998</u>	<u>1997</u>
United Kingdom	-	3,430
Overseas	-	-
	-----	-----
	-	£3,430
	=====	=====

3. OTHER OPERATING INCOME

Interest received on overdue debtors	-	£2,470
	=====	=====

4. OPERATING COSTS

External charges	-	355
Other operating charges	-	(8,614)
	-----	-----
	-	£(8,259)
	=====	=====

MURPHY ENVIRONMENTAL SYSTEMS LIMITEDNOTES TO THE ACCOUNTS

	<u>1998</u>	<u>1997</u>
5. <u>TAX ON PROFIT ON ORDINARY ACTIVITIES</u>		
Corporation tax (1997 - 21.74%)	- =====	£3,078 =====
6. <u>DEBTORS</u>		
Amounts owed by group companies	31,129	35,932
Other debtors	- -----	532 -----
	£31,129 =====	£36,464 =====
All debtors fall due within one year.		
7. <u>CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</u>		
Trade creditors	-	2,257
Taxation	-	3,078
Amounts owed to group companies	31,029 -----	31,029 -----
	£31,029 =====	£36,364 =====
8. <u>CALLED UP SHARE CAPITAL</u>		
<u>Authorised</u>		
1,000 Ordinary shares of £1 each	£1,000 =====	£1,000 =====
<u>Issued & fully paid</u>		
100 Ordinary shares of £1 each	£100 =====	£100 =====
9. <u>PROFIT AND LOSS ACCOUNT</u>		
Balance at 1st January, 1998	-	-
Retained profit for the year	- -----	11,081 -----
	-	11,081
<u>Less: Dividends</u>	- -----	(11,081) -----
<u>Balance at 31st December, 1998</u>	- =====	- =====

MURPHY ENVIRONMENTAL SYSTEMS LIMITEDNOTES TO THE ACCOUNTS

	<u>1998</u>	<u>1997</u>
10. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS		
Balance at 1st January, 1998	100	100
Profit for the financial year	-	11,081
	---	-----
	100	11,181
Dividends	-	(11,081)
	---	-----
<u>Balance at 31st December, 1998</u>	<u>£100</u>	<u>£100</u>
	===	=====

11. CONTINGENT LIABILITIES

This company's bankers hold composite guarantees for the banking facilities of parent and fellow subsidiary companies for which no provision has been made in the accounts.

There are contingent liabilities in respect of guarantees and other agreements entered into in the ordinary course of business for which no provision has been made in the accounts.

12. ULTIMATE HOLDING COMPANY

The holding company is Drilton Limited, incorporated in England.

The directors regard Maryland Limited, incorporated in the Isle of Man, as the company's ultimate holding company. Maryland Limited is controlled by a Murphy family trust.