

WATER MANAGEMENT SERVICES LIMITED

DIRECTORS' REPORT AND ACCOUNTS

The directors submit their report and the audited accounts of the company for the year ended 30th September 1990.

REVIEW OF THE BUSINESS

The company's principal activity during the year was as consultants in the water industry.

DIRECTORS

The directors' of the company and their beneficial shareholdings in £1 Ordinary Shares during the year were as follows:

G. WILLIAMS	25,000
J. HOOKWAY	25,000

FIXED ASSETS

Details of changes in the fixed assets of the company are shown in the notes accompanying the Balance Sheet.

EXPORTS

The company has not exported during the year.

RESULTS

In view of the working capital requirements of the company, the directors recommend that no dividend be paid and that unappropriated profits of £84956 be carried forward.

CLOSE COMPANY

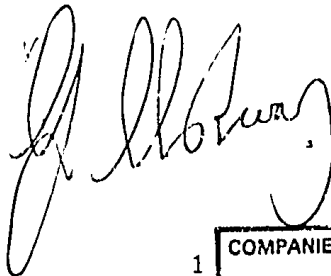
The company is a close company within the provisions of the Income and Corporation Taxes Act 1970.

AUDITORS

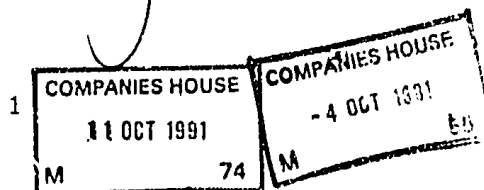
A resolution to reappoint Paul Trodden & Co as auditors will be put to the members at the Annual General Meeting.

By order of the Board.

Date



J. HOOKWAY
G. WILLIAMS
Secretary



AUDITORS' REPORT TO THE MEMBERS OF
WATER MANAGEMENT SERVICES LIMITED

We have audited the financial statements in accordance with approved auditing standards except that the scope of the work was limited by the matter referred to below:

In common with many businesses of similar size and organisation, the company's system of control is dependent upon the close involvement of the directors' who are also the shareholders. Where independent confirmation of the completeness of the accounting records was therefore not available, we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the above, in our opinion the financial statements which have been prepared under the historical cost convention, give a true and fair view of the state of the affairs of the company at 30th September 1990 and of the results for the year then ended and comply with the Companies Act 1985.

Birmingham

PAUL TRODDEN & CO.
Chartered Accountants

WATER MANAGEMENT SERVICES LIMITED
 PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 30 SEPTEMBER 1990

	Notes	£	£	1989 £
Turnover	2		463332	660610
Hire of Equipment and Materials		3080		4542
Subcontract Labour		10868		9263
		<u> </u>	13948	<u> </u> 13805
			<u>449384</u>	<u>646805</u>
Staff Costs	4	302368		241337
Depreciation and Loss on Disposal of Asset		15685		42350
Other operating charges		233685		177492
		<u> </u>	551738	<u> </u> 461179
Operating Profit	3		(102354)	<u>185626</u>
Interest payable and Received	5		(36185)	(33599)
			<u>(138539)</u>	<u>152027</u>
Corporation Tax on Profit	6		31575	(42080)
Profit for the year after taxation			<u> </u>	<u> </u> 103947
Profit and Loss Account brought forward			191920	<u>61973</u>
Profit and Loss Account carried forward			<u>84956</u>	<u>191920</u>

WATER MANAGEMENT SERVICES LIMITED
BALANCE SHEET AS AT 30 SEPTEMBER 1990

	Notes	£	£	1989
Fixed Assets	7	407105		473091
Current Assets				
Work in Progress	8	34585	25000	
Debtors	9	213002	187802	
Cash at Bank & in Hand	953		1406	
		<u>248540</u>	<u>204214</u>	
Creditors: amounts falling due within one year	10	307384		
Net Current Assets		(58844)		25962
Total Assets Less Current Liabilities		<u>348261</u>		<u>499053</u>
Creditors: amounts falling due after more than one year				
Directors' Loan				
Accounts	(2449)		14699	
Obligations under Hire Purchase	11	4500	49198	
Contracts				
Bank Loan (secured)	158396		140378	
		<u>160447</u>	<u>164275</u>	
Net Assets		<u>187814</u>	<u>294778</u>	
Capital and reserves				
Called up share capital	13	50000	50000	
Unappropriated Profits		84956	191920	
Revaluation Reserve		52858	52858	
		<u>187814</u>	<u>294778</u>	

In preparing these modified accounts

- a) We have relied upon the exemptions for individual accounts under section 247 of the Companies Act 1985.
- b) We have done so on the grounds that the company is entitled to the benefit of those exemptions as a small company.

J. HOOKWAY)
G. WILLIAMS)

Date

WATER MANAGEMENT SERVICES LIMITED
STATEMENT OF SOURCE AND APPLICATION OF FUNDS FOR THE YEAR ENDED
30 SEPTEMBER 1990

		1989
	£	£
Source of funds:		
(Loss)/Profit	(138539)	152027
Adjustment for items not involving the movement of funds:		
Depreciation and Loss on Disposal of Fixed Assets	15685	42350
Total (depleted)/generated by operations	<u>(122854)</u>	<u>194377</u>
Funds from other sources:		
Proceeds from Sales of Fixed Assets	59146	-
Hire Purchase Contracts	-	19120
	<u>(63708)</u>	<u>213497</u>
Application of funds:		
Purchase of tangible fixed assets	(8845)	(38795)
Corporation Tax Paid	(30484)	-
Hire Purchase Instalments Paid	(44698)	-
	<u>(147735)</u>	<u>174702</u>
Decrease in Working Capital		
Debtors and Work in Progress	(45221)	167737
Creditors	(64432)	24254
Movement in net liquid funds	<u>(38082)</u>	<u>(17289)</u>
	<u>(147735)</u>	<u>174702</u>
Note:		
The movement in net liquid funds consists of:		
(Decrease)/Increase in cash at bank and in hand	(453)	696
Increase in bank overdraft	(37629)	(17985)
	<u>(38082)</u>	<u>(17289)</u>
	=====	=====

WATER MANAGEMENT SERVICES LIMITED
NOTES TO THE ACCOUNTS ACCOMPANYING AND FORMING
PART OF THE BALANCE SHEET AT 30 SEPTEMBER 1990

1. Accounting policies

Accounting convention

The accounts are prepared under the historical cost convention.

Depreciation

Depreciation is provided on all tangible fixed assets, on the reducing balance basis as follows:

Plant and machinery	10%
Motor Vehicles	25%
Aircraft	25%

Freehold land and buildings have not been depreciated as in the opinion of the directors the realisable value will always be in excess of original cost.

Deferred Taxation

Deferred taxation is disclosed on the deferral method on all short and long term timing differences.

Hire purchase commitments

Assets obtained under hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives.

The interest element of the rental obligations is charged to profit and loss account over the period of the rental, and a constant proportion of the balance of capital repayments outstanding.

2. Turnover

Turnover represents the invoiced amount of services provided (stated net of value added tax).

3. Operating Profit

This is stated after charging or crediting:	£	1989 £
Directors' Remuneration	90382	60000
Auditors' Remuneration	2000	1000
Hire of Equipment and Vehicles	3080	4542
	=====	=====

WATER MANAGEMENT SERVICES LIMITED
NOTES TO THE ACCOUNTS ACCOMPANYING AND FORMING
PART OF THE BALANCE SHEET AT 30 SEPTEMBER 1990

	£	1989 £
4. Staff Costs		
Wages and Salaries	278833	224191
Social security costs	20975	17146
Staff Pension	2560	2500
	<u>302368</u>	<u>243837</u>
	=====	=====

The average weekly number of employees during the year was made up as follows:

	No.	No.
Office and Management	20	20
	==	==

5. Interest and charges payable and sundry income

Bank overdrafts and loans	47032	42656
H. P. Interest	9078	5337
Deposit Account interest received	(9)	(25)
Rent Received	(19916)	(14369)
	<u>36185</u>	<u>33599</u>
	=====	=====

6. Corporation Tax on profit

There is a Corporation Tax recoverable of £31575 on the results for the year. (1989 £42080).

WATER MANAGEMENT SERVICES LIMITED
 NOTES TO THE ACCOUNTS ACCOMPANYING AND FORMING
 PART OF THE BALANCE SHEET AT 30 SEPTEMBER 1990

7. Tangible Fixed Assets

	£ Aircraft	£ Freehold Land & Buildings	£ Plant and Machinery	£ Motor Vehicles	£ Total
Cost:					
At 30.9.89	50000	317971	99178	103367	570516
Additions	-	-	8845	-	8845
Disposals	(50000)	-	-	(61962)	(111962)
At 30.9.90	-	317971	108023	41405	467399
Depreciation:					
At 30.9.89	21290	-	27817	48318	97425
Provided	-	-	8020	5650	13670
during the year					
Disposals	(21290)	-	-	(29511)	(50801)
At 30 September 1990	-	-	35837	24457	60294
Net book value at 30 Sept. 1990	-	317971	72186	16948	407105

8. Work in Progress

Book Value and Replacement
Cost

		1989
	£	£
Work in progress	34585	25000
	=====	=====

9. Debtors

	£	£
Trade Debtors	213002	267808
	=====	=====

WATER MANAGEMENT SERVICES LIMITED
NOTES TO THE ACCOUNTS ACCOMPANYING AND FORMING
PART OF THE BALANCE SHEET AT 30 SEPTEMBER 1990

	£	1989 £
10. Creditors amounts falling due within one year		
Bank overdraft	156132	118503
Trade creditors	56876	4757
Value Added Tax	42335	56323
Corporation Tax	9653	71712
Other Taxes and social security costs	37510	12282
Accruals	4878	4675
	<u>307384</u>	<u>268252</u>
	=====	=====

The bank overdraft is secured by a debenture over the assets of the company.

	£	1989 £
11. Obligations under hire purchase contracts		
Due within 12 months	4215	12361
Due after 12 months	285	36837
	<u>4500</u>	<u>49198</u>
	=====	=====

12. Deferred taxation

Deferred taxation has not been provided in the accounts and the potential amounts of a Corporation Tax Rate of 25% are as follows:

Capital allowances in advance of depreciation	-	5520
	=====	=====

13. Share Capital

	Authorised		Allotted, called up and fully paid	
	No.	1989 No.	£	1989 £
Ordinary shares of £1 each	50000	50000	50000	50000
	=====	=====	=====	=====

WATER MANAGEMENT SERVICES LIMITED
TRADING ACCOUNT FOR THE YEAR ENDED 30TH SEPTEMBER 1990

	£	£	1989	£
WORK DONE		463332		680610
Hire of Equipment	3080		1249	
Hire of Vehicles	-		3293	
	-----	3080	-----	4542
GROSS PROFIT		460252		656068
Staff Pension	2560		2500	
Wages	209426		181337	
Subcontractor Labour & Secretarial Labour	10868		9263	
Motor & Travelling Expenses	105231		79419	
Rent, Rates & Insurance	24733		19306	
Light, Heat & Water	1816		1001	
Advertising	6635		10626	
Printing & Stationery	20708		5436	
Telephone & Postage	19277		27225	
Repairs & Renewals	10327		16712	
Sundry Expenses	6955		5190	
Professional Charges	38001		10077	
Hire Purchase Interest	9078		5337	
Bank Charges & Interest	47032		42656	
Depreciation	13670		42350	
Directors' Remuneration	90382		60000	
Loss on Disposal of Fixed Assets	2015		-	
	-----	618716	-----	518435
Trading (Loss)/Profit for the Year		(158464)		137633
Rent Received	19916		14369	
Interest Received	9		25	
	-----	19925	-----	14394
Net (Loss)/Profit for the Year		(138539)		152027
		=====		=====