

EUROPEAN HEALTH & SAFETY
CONSULTANTS LIMITED

ACCOUNTS FOR THE YEAR ENDING

31ST MARCH, 2000



COMPANY NUMBER 02644153COMPANY INFORMATION

DIRECTOR	MR. P. WINTER, M.B.E.
SECRETARY	MRS. M. WINTER
REGISTERED ADDRESS	20 FURZEN CLOSE, DUNSTABLE, BEDS. LU6 3EN
ACCOUNTANT	MR. C.W. SOPER, F.C.C.A., 20 FURZEN CLOSE, DUNSTABLE, BEDS. LU6 3EN
BANKERS	NATIONAL WESTMINSTER 40 KIMPTON ROAD, LUTON, BEDS. LU2 OSX

COMPANY NUMBER 02644153

DIRECTORS REPORT

The Directors submit their report and the accounts for the Company for the year ending 31st March, 2000

DIRECTORS' RESPONSIBILITIES

The Directors are required by Company Law to prepare accounts for each financial period which give a true and fair view of the state of affairs of the Company at the end of the financial period and of the profit or loss for that period. In preparing the accounts, suitable accounting policies have been used and applied consistently, and reasonable and prudent judgments have been made. The Directors are also responsible for maintaining adequate accounting records, for safeguarding the assets of the company, and for preventing and detecting fraud and other irregularities. The Directors are satisfied that the business is a going concern.

PRINCIPAL ACTIVITIES

The Company was incorporated in England on the 9th September 1991. The Company was dormant within the meaning of Section 252 of the Companies Act 1985 throughout the period ending 31st March 1992. The Company commenced trading on the 1st April 1992, as Health and Safety Consultants.

DIVIDEND

The Directors recommend that a dividend be paid on the 31st March 2000 at £39,200.00 per share. (1999-£25,000.00).

REVIEW OF BUSINESS

The result for the trading year, financial position of the Company and recommended transfer to reserves are shown in the annexed financial statements.

FUTURE DEVELOPMENTS AND EVENTS SINCE THE PERIOD END

There have been no events since the end of the period which have had a material effect on the business of the Company.

DIRECTORS

The Directors in office during the year with their interests in share capital were as follows:

	<u>Number of £1 Shares Held</u>	
	<u>2000</u>	<u>1999</u>
Mr. P. Winter	1	1
Mrs. M. Winter	1	1

Mrs. Winter, being eligible, offers herself for re-election at the Annual General Meeting.

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COMPANY NUMBER 02644153

MAJOR ADDITIONS AND DISPOSALS TO FIXED ASSETS

The major additions and disposals to fixed assets are shown in the notes to the accounts.

ACCOUNTANTS

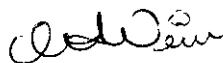
Mr. C.W. Soper, F.C.C.A. has expressed his willingness to continue to act for the company and being eligible for re-appointment will be proposed at the Annual General Meeting.

The Annual General Meeting will be held on the 11th July 2000.

BASIS OF PREPARATION

In preparing the above report the directors have taken advantage of the special provisions of part VII of the Companies Act 1985 relating to small companies.

Approved by the Board of Directors on 1st July 2000
and signed on their behalf by:



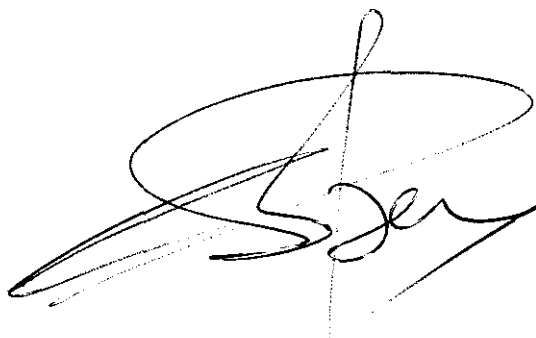
M. WINTER, Secretary

COMPANY NUMBER 02644153

ACCOUNTANTS REPORT ON THE UNAUDITED ACCOUNTS TO THE
DIRECTORS OF
EUROPEAN HEALTH AND SAFETY CONSULTANTS LIMITED

As described on the balance sheet, you are responsible for the preparation of the financial statements for the year ending 31st March 2000 set out on pages 1 - 12 and you consider that the company is exempt from an audit and a report under s249A(1) of the Companies Act 1985.

In accordance with your instructions, we have compiled these unaudited financial statements from the accounting records and information and explanations received by us, in order to assist you to fulfil your statutory responsibilities.

A handwritten signature in black ink, appearing to read 'C.W. Soper', is written over a vertical dotted line.

20 Furzen Close,
DUNSTABLE, Beds.
LU6 3EN

C.W. Soper, F.C.C.A.,
Chartered/Certified Accountants.

Date 30.8.2000

COMPANY NUMBER 02644153PROFIT AND LOSS ACCOUNT FOR THE YEAR
ENDED 31ST MARCH, 2000

	<u>2000</u>	<u>1999</u>
Turnover	341621	241851
Cost of Sales	<u>162582</u>	<u>120170</u>
GROSS PROFIT	179038	121681
Administration Costs	<u>72505</u>	<u>52277</u>
OPERATING PROFIT	106533	69404
Profit/(Loss) on disposal of Asset	-2369	0
Interest Received	<u>2127</u>	<u>1444</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	106291	70848
Tax on Profit on Ordinary Activities	<u>22669</u>	<u>18602</u>
PROFIT FOR THE YEAR	83622	52246
Dividend	<u>78400</u>	<u>50000</u>
Retained Profit/(Loss) for the year	<u>5222</u>	<u>2246</u>

None of the company's activities were acquired or discontinued in the above periods shown.

Turnover and operating profit derive wholly from continuing operations.

The company has no recognised gains or losses other than the profit and loss for the above two financial years.

The notes form part of the financial statements. All the above amounts relate to continuing activities of the Company in the period.

BALANCE SHEET AS AT 31ST MARCH, 2000

	2000	2000	1999	1999
<u>FIXED ASSETS</u> (@ Cost less Deprn.)				
Cars	40886		11974	
Computer	3483		3172	
Office Equipment	223		1425	
		44592		16571
<u>CURRENT ASSETS</u>				
Debtors	28361		44643	
Sundry Debtors & Prepayments	1594		1066	
Cash at Bank and In Hand	43022		6606	
	72977		52315	
<u>CURRENT LIABILITIES</u>				
Creditors	23455		7991	
Sundry Creditors & Accruals	16730		3184	
Taxation	22669		6102	
	62854		17277	
Net Current Assets		10123		35038
NET ASSETS		54715		51609
<u>CAPITAL RESERVE</u>				
Called Up Share Capital	2		2	
Retained Profits	54713		51607	
		54715		51609

EXEMPTION FROM AUDIT

The Directors confirm:

a) The company is entitled to exemption under S249A Companies Act 1985 from requirement to have its accounts audited.

b) No notice has been deposited under S249B(2) by holders of 10% or more of the company's shares.

c) and acknowledge their responsibilities for:

(i) ensuring that the company keeps accounting records which comply with S221 of the Act.

(ii) preparing accounts which give a true and fair view of the state of affairs of the company as at the year end date above and of its profit or loss for the year in accordance with the requirements of S226 of the Act and which otherwise comply with the requirements of the Act, so far as applicable to the company.

REDUCED DISCLOSURE

The director has taken advantage in the preparation of the financial statements of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

These financial statements are prepared under the Financial Reporting Standards for smaller companies.

APPROVED BY THE BOARD OF DIRECTORS ON 1st July 2000

AND SIGNED ON THEIR BEHALF BY: Mr. P. Winter, Mrs. M. Winter

The attached notes form an integral part of the accounts.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2000

1. ACCOUNTING POLICIES

a) *Basis of Preparation:* The accounts are prepared under the historical cost convention.

b) *Statement of Cash Flows:* The company is exempt from the requirements to prepare a statement of Cash Flows under FRS1 since it qualifies as a small company.

c) *Deferred Taxation:* Deferred taxation is provided on the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate at which it is expected that taxation will be payable.

d) *Depreciation:* Depreciation is provided on all tangible fixed assets at the following annual rates, calculated to write off each asset over its expected useful life.

Fixtures and Fittings	25% straight line
Motor Vehicles	25% straight line
Computers	25% straight line
Office Equipment	25% straight line

e) *Hire purchase commitments:* Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their estimated useful lives. The interest element of the rental obligations is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. Rentals paid under operating leases are charged to the profit and loss account as incurred.

f) *Turnover:* Turnover represents the net invoiced sales excluding VAT.

g) *Foreign currencies:* Transactions in foreign currencies are translated into £ sterling at the rates of exchange prevailing on the transaction date. Assets and liabilities in foreign currencies are translated into £ sterling at the rates of exchange prevailing at the balance sheet date. Exchange differences are taken into account in arriving at the operating profit.

COMPANY NUMBER 02644153

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING 31ST MARCH, 2000

1. OPERATING PROFIT

The operating profit for the year is arrived at after charging:

	<u>2000</u>	<u>1999</u>
Depreciation	11446	9754
Accountants Remuneration	600	600
Directors Remuneration	59400	59400
Directors National Insurance	6189	6245

2. STAFF COSTS

	<u>2000</u>	<u>1999</u>
Wages and Salaries	46350	26414
National Insurance	4412	2086

The average weekly number of employees during the period was 5 (1999-3).

3. TAXATION

Deferred taxation is provided using the liability method on all timing differences which are expected to reverse in the future without being replaced, calculated at the rate of which is anticipated the timing differences will reverse. Advance Corporation Tax which is expected to be recoverable in the future is deducted from the deferred taxation balance.

	<u>2000</u>	<u>1999</u>
Deferred Taxation 2000 @ 20% (1999 21%)	22669	18602
Advance Corporation Taxation	<u>-</u>	<u>-12500</u>
	<u>22669</u>	<u>6102</u>

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COMPANY NUMBER 02644153

5. FIXED ASSETS

	OFFICE FIXTURES EQUIP. & FITTING		CAR	COMP	TOTAL
<u>Cost</u>					
Balance Brought Forward	4809	6604	22105	11762	45280
Addition	0	0	42500	4336	46836
Sales	0	0	22105	0	22105
Balance Carried Forward	4809	6604	42500	16098	70011
<u>Depreciation</u>					
Balance Brought Forward	3384	6604	10131	8590	28709
Sales	0	0	14736	0	14736
Charge for year	1202	0	6219	4025	11446
Balance Carried Forward	4586	6604	1614	12615	25419
Residual Value 31.3.00	223	0	40886	3483	44592
Residual Value 31.3.99	1425	0	11974	3172	16571

6. CAPITAL COMMITMENTS

There are no capital commitments (1999-NIL)

7. DEBTORS

Due within one year:

	2000	1999
Trade Debtors	28361	44643
Prepayments	1594	1066
	29955	45709

8. CREDITORS

Due within one year:

	2000	1999
Trade	5041	2562
Directors Loan	80	0
H.P. Creditor	18333	5429
Accruals and Deferred Income	16730	3184
Taxation	22669	6102
	62853	17277

COMPANY NUMBER 026441539. SHARE CAPITAL

Authorised Number	Class	Nominal Value	Value
100	Ordinary	£1	100

Allotted, issued and fully paid - 2 ordinary shares of £1 each.

10. RETAINED PROFITS

	<u>2000</u>	<u>1999</u>
Balance Brought Forward	51607	49362
Profit for the year	<u>106292</u>	<u>70848</u>
	157899	120210
Dividend	78400	-50000
ACT	<u>0</u>	<u>-12500</u>
	79499	57710
Corporation Tax Movement	<u>24786</u>	<u>6103</u>
Balance Carried Forward	<u>54713</u>	<u>51607</u>