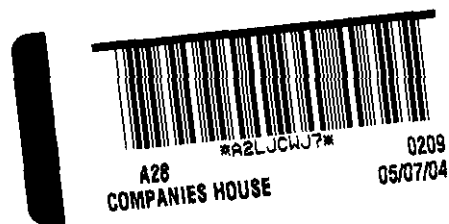


COMPANY NUMBER 02644153

EUROPEAN HEALTH & SAFETY
CONSULTANTS LIMITED

ACCOUNTS FOR THE YEAR ENDING

31ST MARCH, 2004



COMPANY NUMBER 02644153

COMPANY 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 30 ALLHALLOWS, BEDFORD. MK40 1YY.

COMPANY NUMBER 02644153**DIRECTORS REPORT**

The Directors submit their report and the accounts for the Company for the year ending 31st March, 2004

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 2004 at £7,500.00 per share. (2003-£15,000.00).

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>2004</u>	<u>2003</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.

continued/...

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

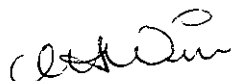
Mr. C.W. Soper, F.C.C.A. has expressed his willingness to continue to act for the company and being eligible for re-appointment will be proposed at the Annual General Meeting.

The Annual General Meeting will be held on the 30TH May 2004.

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 30TH May 2004
and signed on their behalf by:**



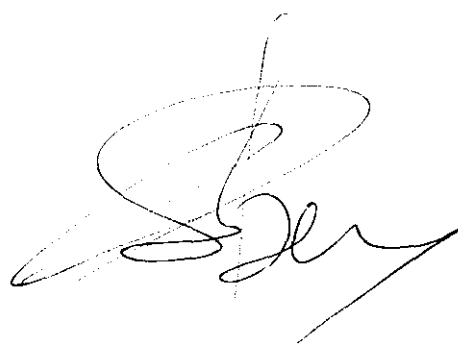
M.A. WINTER, Secretary

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 2004 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.



20 Furzen Close,
DUNSTABLE, Beds.
LU6 3EN

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

Date 30.05.04

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2004

	<u>2004</u>	<u>2003</u>
Turnover	204,347	240,542
Cost of Sales	<u>152,626</u>	<u>142,766</u>
GROSS PROFIT	51,721	97,777
Administration Costs	<u>37,787</u>	<u>56,238</u>
OPERATING PROFIT	13,934	41,539
Profit/(Loss) on disposal of Asset	0	0
Interest Received	<u>1,111</u>	<u>1,125</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	15,045	42,664
Tax on Profit on Ordinary Activities	<u>4,929</u>	<u>12,576</u>
PROFIT FOR THE YEAR	10,116	30,088
Dividend	<u>15,000</u>	<u>30,000</u>
Retained Profit/(Loss) for the year	<u><u>-4,884</u></u>	<u><u>88</u></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, 2004

	2004	2004	2003	2003
<u>FIXED ASSETS (@ Cost less Deprn.)</u>				
Cars	3,004		15,477	
Computer	0		0	
Office Equipment	0		0	
		3,004		15,477
<u>CURRENT ASSETS</u>				
Debtors	47,790		48,899	
Sundry Debtors & Prepayments	2,142		1,998	
Cash at Bank and In Hand	32,412		31,799	
	82,345		82,696	
<u>CURRENT LIABILITIES</u>				
Creditors	3,173		3,138	
Sundry Creditors & Accruals	9,707		10,047	
Taxation	4,929		12,576	
	17,809		25,761	
Net Current Assets		64,535		56,935
<u>NET ASSETS</u>		67,539		72,412
<u>CAPITAL RESERVE</u>				
Called Up Share Capital	2		2	
Retained Profits	67,537		72,410	
		67,539		72,412

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.

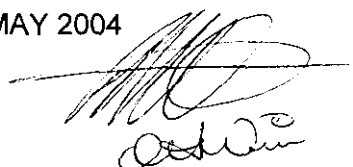
REDUCED DISCLOSURE

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 30th MAY 2004

AND SIGNED ON THEIR BEHAL Mr. P.A.WINTER MBE
Mrs. M A WINTER



Director
Director

The attached notes form an integral part of the accounts.

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 2004

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, 2004

1. OPERATING PROFIT

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

	<u>2004</u>	<u>2003</u>
Depreciation	12944	18052
Accountants Remuneration	700	650
Directors Remuneration	69399	69399
Directors National Insurance	9202	7677

2. STAFF COSTS

	<u>2004</u>	<u>2003</u>
Wages and Salaries	36171	34564
National Insurance	4342	2538

The average weekly number of employees during the period was 6 (2003-6).

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>2004</u>	<u>2003</u>
Deferred Taxation 2004 @ 19% (2003-19%)	4929	12576

cont/...

COMPANY NUMBER 02644153

5. FIXED ASSETS

	OFFICE EQUIP. & FITTING		FIXTURES	CAR	COMP	TOTAL
<u>Cost</u>						
Balance Brought Forward	5,918	8,425	49,890	22,440	86,673	
Addition	471	0	0	0	471	
Sales	0	0	0	0	0	
Balance Carried Forward	6,389	8,425	49,890	22,440	87,144	
<u>Depreciation</u>						
Balance Brought Forward	5,918	8,425	34,413	22,440	71,196	
Sales	0	0	0	0	0	
Charge for year	471	0	12,473	0	12,944	
Balance Carried Forward	6,389	8,425	46,886	22,440	84,140	
Residual Value 31.03.04	0	0	3,004	0	3,004	
<i>Residual Value 31.03.03</i>	<i>0</i>	<i>0</i>	<i>15,477</i>	<i>0</i>	<i>15,477</i>	

6. CAPITAL COMMITMENTS

There are no capital commitments (2003-NIL)

7. DEBTORS

Due within one year:

	2004	2003
Trade Debtors	47,790	48,899
Prepayments	2,142	1,998
	<u>49,932</u>	<u>50,897</u>

8. CREDITORS

Due within one year:

	2004	2003
Trade	3,173	3,138
Accruals and Deferred Income	9,707	10,047
Taxation	4,929	12,576
	<u>17,809</u>	<u>25,761</u>

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>2004</u>	<u>2003</u>
Balance Brought Forward	72,410	73,608
Profit for the year	<u>15,045</u>	<u>42,664</u>
	87,455	116,272
Dividend	<u>-15,000</u>	<u>-30,000</u>
	72,455	86,272
Corporation Tax	4,929	12,576
Adjustment to Reserves (Prior Year)	<u>-11</u>	<u>1,286</u>
Balance Carried Forward	<u><u>67,537</u></u>	<u><u>72,410</u></u>

TRADING PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2004

	<u>2004</u>	<u>2003</u>
Sales and Work Done	204,347.30	240,542.11
<u>Cost of Sales</u>		
Sub Contracted Consultants Fees	29,354.88	26,498.25
Insurance	1,240.16	486.87
Room Hire and Associated Training Costs	2,915.72	1,601.49
Directors Salaries (incl. Statutory Taxes)	78,601.71	77,076.56
Staff Salaries (incl. Statutory Taxes)	40,513.45	37,102.40
	<u>152,625.92</u>	<u>142,765.57</u>
GROSS PROFIT	51,721.38	97,776.54
<u>Administration Costs</u>		
Car Expenses	3,541.79	4,954.82
Travel Cost	3,789.95	8,418.50
Advertising	408.41	906.69
Printing & Stationery	1,768.06	2,413.22
Computer Software & Maintenance	1,694.56	123.38
Telephone	3,587.02	2,791.93
Postage	434.26	345.59
Entertaining	1,984.13	2,921.78
Cleaning	122.10	172.03
Office Sundries	127.23	19.25
Electricity to Office	840.00	840.00
Legal and Professional	415.00	1,281.60
Donations	270.29	120.00
Subscriptions	1,262.59	790.74
Other Fees	3,493.38	10,355.05
Accountancy Fees	750.00	745.00
H.P. Interest	0.00	610.02
Bad Debt Written Off	66.29	0.00
Bank Charges	288.42	376.56
Depreciation - Car	12,473.00	11,549.00
- Computer	0.00	4,305.03
- Office Equipment	0.00	831.79
- Fixtures & Fittings	470.80	1,365.75
	<u>37,787.28</u>	<u>56,237.73</u>
Operating Profit for the Year	13,934.10	41,538.81
 Bank Interest Received - Gross	 1,110.69	 1,124.90
NET PROFIT FOR THE YEAR	<u><u>15,044.79</u></u>	<u><u>42,663.71</u></u>

EUROPEAN HEALTH AND SAFETY CONSULTANTS LIMITED

CAPITAL ALLOWANCE COMPUTATION FOR THE YEAR ENDED 31ST MARCH 2004

	VECTRA	CORSA CAR	JAGUAR CAR	POOL	CLAIMED
W.D.V. Brought Forward	6,466	2,373	23,000	9,262	
Additions	6,466	2,373	23,000	9,262	
W.D.A. @ 25%	-1,617	-593	-3,000	-2,316	
W.D.V.Carried Forward	4,850	1,780	20,000	6,947	
					<u>7,525</u>

EUROPEAN HEALTH AND SAFETY CONSULTANTS LIMITED

COMPANY NUMBER 02644153

TAX COMPUTATION - FOR THE YEAR ENDED 31ST MARCH 2004

Profit Per Accounts		15,044.79
Add:		
Depreciation	12,943.80	
Entertaining	1,984.13	
Other Fees	<u>3,493.28</u>	
		<u>18,421.21</u>
		33,466.00
Deduct: Capital Allowances		<u>7,525.00</u>
Adjusted Taxable Profit		<u><u>25,941.00</u></u>
Tax @ 19%		<u><u>4,928.79</u></u>