

GEORGE WATT LIMITED  
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(No.2823519 England & Wales)

DIRECTORS REPORT AND FINANCIAL  
STATEMENTS FOR THE YEAR ENDED  
31st DECEMBER 1998



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GEORGE WATT LIMITED

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Company Information

Directors	N.G.B.Edwards K.Millar Mrs S.Edwards (Resigned 24.02.99)
Secretary	Mrs N.Edwards
Company Number	2823519 (England & Wales)
Registered Office	146 Mostyn Road Merton Park London SW19 3LT
Auditors	Edwards & Elliott Registered Auditors 159 Kingston Road London SW19 1LJ

GEORGE WATT LIMITED

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Directors' Report for the year ended 31st December 1998

The directors present their report and the financial statements for the year ended 31st December 1998

Statement of directors' 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:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- 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 enable them 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.

Principal activity

The company's principal activity continues to be that of providing parking facilities and management thereof

Directors

The directors at 31st December 1998 and their interests in the share capital of the company were as follows:

	31st December 1998	31st December 1997
	Ordinary £1. Shares	
N.G.B. Edwards	999	999
K.R. Millar	Nil	Nil
Mrs S. Edwards (resigned 24.02.99)	1	1

Auditors

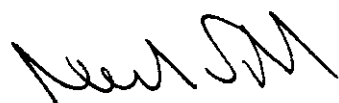
The auditors are deemed to be reappointed in accordance with S.386 of the Companies Act 1985 by virtue of an elective resolution passed by the members on 18th December 1998.

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999).

This report was approved by the board on 17.12.99

Signed on behalf of the board:



N.G.B. Edwards  
Director

## GEORGE WATT LIMITED

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## AUDITORS REPORT TO THE SHAREHOLDERS OF GEORGE WATT LIMITED

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We have audited the financial statements on pages 3 to 7 which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), under the historical cost convention and 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 financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and report our opinion to you.

#### Basis of Opinion

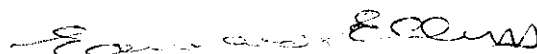
We conducted our audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements 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 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 financial statements.

#### Opinion

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 1998 and of its loss for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

EDWARDS & ELLIOTT  
Registered Auditors  
159 Kingston Road  
London SW19 1LJ



EDWARDS & ELLIOTT

22-12-99

GEORGE WATT LIMITED

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PROFIT & LOSS ACCOUNT -----	year ended	31st DECEMBER 1998 -----	
		1998 £ ----	1997 £ ----
Turnover	(1.2)	1,968,456	1,525,307
Cost of Sales		(2,010,555)	(1,422,555)
Gross (Loss) Profit		----- (42,099)	----- 102,752
Administrative expenses		(183,447)	(156,182)
Operating (Loss)	(3)	----- (225,546)	----- (53,430)
Interest receivable		84	556
Interest payable - bank	(4)	(2,204)	(378)
(Loss) on ordinary activities before taxation		----- (227,666)	----- (53,252)
Taxation on profit on ordinary activities	(5)	Nil	Nil
Corporation tax refund on loss relief		7,254	
Interest paid on late paid tax		NIL	(86)
Supplement of Corporation Tax refund		-	-
(Loss) on ordinary activities after taxation		----- (220,412)	----- (53,338)
Retained (losses) profit brought forward		(116,059)	(62,721)
Retained (Losses) carried forward		----- (336,471) =====	----- (116,059) =====

There were no recognised gains and losses for 1997 and 1998 other than those included in the profit and loss account

## GEORGE WATT LIMITED

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## BALANCE SHEET

31st DECEMBER 1998

		1998 £ -----	1997 £ -----
FIXED ASSETS:			
-----			
Tangible	(6)	44,626	33,894
CURRENT ASSETS			
-----			
Stock		3,336	3,500
Debtors and Prepayments	(7)	278,837	127,574
Cash and Bank Balances		14,400	48,866
		-----	-----
		296,573	179,940
		=====	=====
CREDITORS: amounts falling due			
----- within one year	(8)	(676,668)	(328,893)
		=====	=====
NET CURRENT (LIABILITIES) ASSETS		(380,095)	(148,953)
-----			
NET LIABILITIES		(335,469)	(115,059)
-----		=====	=====
CAPITAL AND RESERVES			
=====			
CALLED UP SHARE CAPITAL	(9)	1,000	1,000
-----			
PROFIT AND LOSS ACCOUNT		(336,469)	(116,059)
-----			
SHAREHOLDERS' FUNDS: equity interests		(335,469)	(115,059)
-----		=====	=====

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 1999), were approved by the board on

17-12-99

Signed on behalf of the board of directors



N.G.B. Edwards  
Director

## GEORGE WATT LIMITED

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Notes to the financial statements for the year ended 31st December 1998

## 1.ACCOUNTING POLICIES

## 1.1 Basis of preparation of financial statements

The financial statements are prepared under the historical cost convention

## 1.2 Turnover

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts.

## 1.3 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their expected residual value, over their expected useful lives on the following bases:

Motor Vehicles:	20% straight line basis.
Plant and Equipment	20% straight line basis.
Office Equipment and Furniture	20% straight line basis
Installations etc.	In equal instalments over 3 years
Lease premium	In monthly instalments over period of lease (now fully written off)

## 1.4 Operating Leases

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

## 1.5 Stocks

Stocks are valued at the lower of cost and net realisable value

## 1.6 Deferred taxation

No provision is considered necessary.

2.TURNOVER. In the year to 31st December 1998 the company had no sales to markets outside the United Kingdom (1997 NIL)

## 3.OPERATING (LOSS)

The operating (loss) is stated after charging:

	1998	1997
	£	£
Depreciation of tangible fixed assets		
- owned by the company	20,285	12,021
Amortisation of Lease Premium	45	50
Auditors' remuneration	2,500	3,000
Directors emoluments	63,949	79,609
pension contributions	2,400	600
Staff: pension contribution	4,620	1,265
4.INTEREST PAYABLE - bank	2,204	378

## 5.TAXATION

UK current year taxation:

Due to losses no liability is expected	Nil	Nil
Refund Corporation Tax on loss relief	7,254	Nil
Interest paid on late paid tax	Nil	86

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6.TANGIBLE FIXED ASSETS

	Plant & Machinery etc. £	Lease Premium £	Total £
Cost			
At 31st December 1997	50,758	100	50,858
Additions	32,412	-	32,412
Disposals	(2,476)	-	(2,476)
	-----		-----
At 31st December 1998	80,694	100	80,794
	=====		=====
Depreciation			
At 31st December 1997	16,909	55	16,964
Charge for year	20,285	45	20,330
Released on disposals	(1,126)	-	(1,126)
	-----		-----
At 31st December 1998	36,068	100	36,168
	=====		=====
Net book values			
At 31st December 1998	44,626	-	44,626
	=====		=====
At 31st December 1997	33,849	45	33,894
	=====		=====
		1998	1997
		£	£

## 7.DEBTORS

Due within one year		
Trade debtors	66,759	35,316
Prepaid trade costs	138,895	68,798
Other debtors	67,752	16,217
Prepaid expenses	3,831	3,956
Director's Loan	1,600	1,600
Corporation tax	-	1,687
	-----	-----
	278,837	127,574
	=====	=====

The director's loan £1,600 (1997 £1,600) is to K.Millar, the maximum amount outstanding during the year was £1,600

8.CREDITORS: amounts falling due within one year.

Bank overdraft	84,116	82,396
Trade creditors	500,013	186,786
Expenses creditors	13,419	17,916
Corporation tax	-	-
Other taxes and social security costs	79,120	41,795
	-----	-----
	676,668	328,893
	=====	=====

The company's bankers hold the company assets as security for the overdraft facilities

## 9.SHARE CAPITAL

Authorised		
1,000 Ordinary shares of £1 each	1,000	1,000
	=====	=====
Allotted, called up and fully paid		
1,000 Ordinary shares of £1 each	1,000	1,000
	=====	=====



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	1998	1997
	£	£

## 10. Other Commitments

At 31st December 1998, the company had annual commitments under non-cancelable operating leases as follows:

## Expiry date

Within one year	595,404	252,452
Between two and five years	937,679	206,583
Over five years	287,583	-

## 11. Pensions Contributions

The company pays premium contributions to personal pension plan policies for directors and employees

## 12. Related Parties

The company pays charges for office accommodation and office services to the firm in which the father of Mr N. Edwards and the husband of Mrs S. Edwards, is a partner. The charges are at normal commercial terms and the total was £5,349 (1997 £6,943). There is no tenancy agreement. Mr N.G.B. Edwards has ultimate control of the company.