

FLETCHER & CO
chartered accountants

ENVIRONMENTAL DETECTION SERVICES LIMITED

FINANCIAL STATEMENTS

APRIL 30TH 2004

Company Number : 2996575



ENVIRONMENTAL DETECTION SERVICES LIMITED

DIRECTORS' REPORT

APRIL 30TH 2004

The directors present their report on the affairs of the Company, together with the financial statements and accountants report for the year ended April 30th 2004.

Period of Trading

These accounts cover the trading year to April 30th 2004.

Principal Activities

The principal activities of the Company are the provision of leak detection, water management and surveying services.

Results and Dividends

The net profit for the year after taxation amounted to £20,741 (2003 £12,113) and the directors do not recommend the payment of a dividend.

Capital Expenditure

Details of movements in fixed assets are given in note 7 to these financial statements.

Directors and their Interests

The Directors who held office during the year to April 30th 2004 and their interests the share capital of the company are shown below :

	<u>Ordinary</u> <u>of £ 1</u>	<u>Shares</u> <u>each</u>
	<u>2004</u>	<u>2003</u>
Mrs D Johnson	nil	nil
G A Small	nil	nil

Mrs D Johnson retires by rotation at the next Annual General Meeting and being eligible offer herself for re-election.

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 and loss of the Company for the year.

In preparing those financial statements the directors are required to :

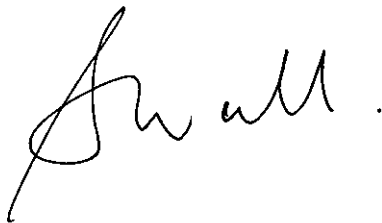
- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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.

This report was approved by the board of directors on July 20th 2005.

On behalf of the Board of Directors.



Mr G A Small
Company Secretary

Laural Bank House
Ashley Road
Southport
Merseyside
PR9 ORB

July 20th 2005

**ACCOUNTANTS REPORT TO THE MEMBERS OF ENVIRONMENTAL DETECTION
SERVICES LIMITED**

We have examined, without carrying out an audit, the accounts for year ended April 30th 2004 as set out on pages 4 to 8.

Respective Responsibilities of Directors and Reporting Accountants

As described on page 2, the company's directors are responsible for the preparation of accounts, and they are of the opinion that the company is exempt from an audit. It is our responsibility to examine the accounts and based upon our examination report our opinion, as set out below, to the shareholders.

Basis of opinion

We conducted our examination in accordance with the appropriate standards for reporting accountants issued by the Auditing Practices Board.

The examination consisted of comparing the accounts with the accounting records kept by the company and making such limited enquiries of the officers of the company as we considered necessary for the purposes of this report.

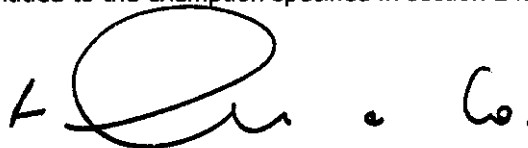
The examination was not an audit conducted in accordance with Auditing Standards and accordingly, we do not express an audit opinion on these accounts.

Our examination does not provide any assurance that the accounting records are free from material misstatement.

Opinion

In our opinion :

1. The accounts are in agreement with those accounting records kept by the company under section 221 of the Companies Act 1985.
2. Having regard only to, and on the basis of, the information contained in those accounting records, the accounts have been drawn up in a manner consistent with the accounting requirements specified in 249C(6) of the Act ;
3. Having regard only to, and on the basis of, the information contained in those accounting records, the company is satisfied that the conditions for exemption from an audit of the accounts for the year specified in section 249A(4) of the Act and did not, at any time within that year, fall within any of the categories of companies not entitled to the exemption specified in section 249B(1) (a) to (f).



FLETCHER & Co
Chartered Accountants

July 20th 2005

ENVIRONMENTAL DETECTION SERVICES LIMITED
STATEMENT OF ACCOUNTING POLICIES
AS AT APRIL 30TH 2004

A summary of the principal accounting policies is set out below, all of which have been applied consistently throughout the year.

1. Basis of Accounting

The financial statements have been prepared under the historic cost convention.

2. Taxation

Corporation Tax payable is provided on taxable profits at the rates applicable at the balance sheet date.

3. Revenue

Turnover is the total amount receivable by the Company in the ordinary course of business with outside customers for goods supplied as a principal.

4. Tangible Fixed Assets

Tangible Fixed Assets are shown at cost less accumulated depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset on a straight line basis over its expected useful life at the following annual rates:

Fixtures & Equipment	10%
Motor Vehicles	25%

Any profits or losses arising on disposal are included in the operating profit.

5. Stocks and work in progress.

Stocks and work in progress are stated at the lower of cost and net realisable value.

Cost means purchase price including carriage and transport less trade discounts on a first in and first out basis.

Net realisable value means estimated selling price less all further costs related to the sale.

ENVIRONMENTAL DETECTION SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED APRIL 30th 2004

	<u>2004</u>	<u>2003</u>
Sales	1,135,472	1,197,989
Cost of Sales	<u>883,299</u> 252,173	<u>926,862</u> 271,127
Administration expenses	226,682	257,740
Operating profit before tax	<u>25,491</u>	<u>13,387</u>
Taxation charge	4,750	1,274
Net profit after tax	<u>20,741</u>	<u>12,113</u>
Retained profit for the year	<u>20,741</u>	<u>12,113</u>

The notes on pages 7 and 8 form an integral part of these financial statements.

ENVIRONMENTAL DETECTION SERVICES LIMITED
BALANCE SHEET
APRIL 30TH 2004

	Notes	<u>2004</u> £	<u>2003</u> £
TANGIBLE FIXED ASSETS	7	<u>342,242</u>	<u>233,467</u>
CURRENT ASSETS			
Work in Progress		37,373	109,528
Debtors	3	658,219	736,086
Cash		125	125
		<u>695,717</u>	<u>845,739</u>
Creditors : Amounts falling due within one year	4	527,139	708,800
NET CURRENT ASSETS		<u>168,578</u>	<u>136,939</u>
Total Assets Less Current Liabilities		510,820	370,406
Creditors : Amounts falling due after more than one year	5	0	327
		<u>510,820</u>	<u>370,079</u>
CAPITAL AND RESERVES			
Share capital	6	10,000	10,000
Revaluation Reserve	7	182,588	62,588
Profit and Loss Account		318,232	297,491
		<u>510,820</u>	<u>370,079</u>

For the year ended April 30th 2004 the company was entitled to exemption under section 249A(1) of the Companies Act 1985

No members have required the company to obtain an audit of its accounts for the year in question in accordance with section 249B(2).

The Directors acknowledge their responsibility for :-

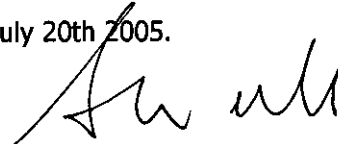
- i. Ensuring that the Company keeps accounting records which comply with Section 221; and
- ii. Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of the financial year, and of its profit for the financial year in accordance with the requirements of section 226, and which otherwise comply with the Companies Act relating to accounts, so far as applicable to the Company

The financial statements were approved by the Board on July 20th 2005.

Mrs D Johnson



Mr G A Small



July 20th 2005

The notes on pages 7 to 8 form an integral part of these financial statements.

ENVIRONMENTAL DETECTION SERVICES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
AS AT APRIL 30TH 2004

1 Operating profit

Operating profit for the year is after charging

	<u>2004</u>	<u>2003</u>
	<u>£</u>	<u>£</u>
Depreciation	20,233	20,833

2 Taxation

Corporation tax has been provided on taxable profits at the current small companies rate.

A provision for deferred taxation is not considered necessary as timing differences are unlikely to give rise to a charge to taxation in the foreseeable future.

3 Debtors

	<u>2004</u>	<u>2003</u>
Trade Debtors	242,937	326,931
Sundry Other Debtors	61,419	25,215
Inter Company Balances	353,863	383,940
	<u>658,219</u>	<u>736,086</u>

4 Creditors

Amounts falling due within one year :

	<u>2004</u>	<u>2003</u>
Bank Overdraft (note 8)	423,753	479,341
Trade Creditors and Accruals	38,100	99,275
Corporation Tax	5,497	3,063
Value Added Tax	37,762	47,773
Paye and Nic	22,027	77,601
Bank Loans and HP	0	1,747
	<u>527,139</u>	<u>708,800</u>

5 Creditors

Amounts falling due after one year :

	<u>2004</u>	<u>2003</u>
Bank Loans and HP	0	327
	<u>0</u>	<u>327</u>

6 Share capital

	<u>2004</u>	<u>2003</u>
Authorised :		
10,000 ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>
Issued and fully paid :		
10,000 ordinary shares of £ 1 each	<u>10,000</u>	<u>10,000</u>

ENVIRONMENTAL DETECTION SERVICES LIMITED
NOTES TO THE ACCOUNTS(CONTINUED)
AS AT APRIL 30TH 2004

7 Fixed assets comprise:

	<u>Freehold Property</u>	<u>Motor Vehicles</u>	<u>Plant and Machinery</u>	<u>Computer Equipment</u>	<u>Furniture Fittings</u>	<u>Total</u>
Cost :						
Brought Forward	155,000	8,000	151,762	26,403	10,168	351,333
Additions			1,400	4,475	3,133	9,008
Revaluation	120,000					120,000
Disposal						
As at April 30th 2004	<u>275,000</u>	<u>8,000</u>	<u>153,162</u>	<u>30,878</u>	<u>13,301</u>	<u>480,341</u>
Depreciation						
Brought Forward		7,500	87,792	18,411	4,163	117,866
Charge in Year		499	15,316	3,088	1,330	20,233
Disposal						
As at April 30th 2004	<u>0</u>	<u>7,999</u>	<u>103,108</u>	<u>21,499</u>	<u>5,493</u>	<u>138,099</u>
Net Book Value						
As at April 30th 2004	<u>275,000</u>	<u>1</u>	<u>50,054</u>	<u>9,379</u>	<u>7,808</u>	<u>342,242</u>
As at April 30th 2003	<u>155,000</u>	<u>500</u>	<u>63,970</u>	<u>7,992</u>	<u>6,005</u>	<u>233,467</u>

The freehold property was revalued during the year to bring it into line with a valuation prepared by The Anthony Hill Partnership ,Chartered Surveyors. This produces a Revaluation Reserve of £182,588 which is disclosed with Reserves on the Balance Sheet on page 6.

8 Security

HSBC Bank Plc has a charge, dated January 24th 1997, over the assets of the company as security for overdraft facilities advanced.