

FLETCHER & CO
chartered accountants

ENVIRONMENTAL DETECTION SERVICES LIMITED

FINANCIAL STATEMENTS

APRIL 30TH 2001



*Laural Bank House, Ashley Road, Southport. PR9 0RB.
Telephone: (01704) 501750 Fax: (01704) 501750*

ENVIRONMENTAL DETECTION SERVICES LIMITED

DIRECTORS' REPORT

APRIL 30TH 2001

The directors present their report on the affairs of the Company, together with the financial statements and auditors report for the year ended April 30th 2001.

Period of Trading

These accounts cover the trading year to April 30th 2001.

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 £ 34,099 (2000 £77,594) 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 2001 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>2001</u>	<u>2000</u>
J H Kershaw	nil	nil
Mrs D Johnson	nil	nil
G A Small	nil	nil

Mr G A Small and Mrs D Johnson retire by rotation at the next Annual General Meeting and being eligible offer themselves for re-election.

Mr G A Small and Mrs D Johnson were appointed on April 4th 2000.

Mr J H Kershaw resigned on May 5th 2000.

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 :

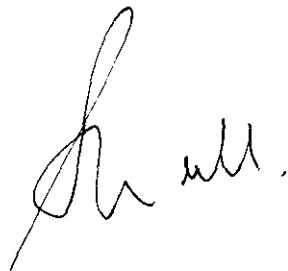
- select suitable accounting policies and then apply them consistently.
- make judgements and estimates that are reasonable and prudent.
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business

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 April 29th 2002.

On behalf of the Board of Directors.



**Mr G A Small
Company Secretary**

Laural Bank House
Ashley Road
Southport
Merseyside
PR9 ORB

April 29th 2002

**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 2001 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

April 29th 2002

ENVIRONMENTAL DETECTION SERVICES LIMITED
STATEMENT OF ACCOUNTING POLICIES
AS AT APRIL 30TH 2001

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 2001

	<u>2001</u>	<u>2000</u>
Sales	1,263,870	1,301,304
Cost of Sales	<u>988,705</u> 275,165	<u>979,108</u> 322,196
Administration expenses	232,307	222,717
Operating profit before tax	<u>42,858</u>	<u>99,479</u>
Taxation provision	8,759	21,885
Net profit after tax	<u>34,099</u>	<u>77,594</u>
Retained profit for the year	<u>34,099</u>	<u>77,594</u>

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

ENVIRONMENTAL DETECTION SERVICES LIMITED
BALANCE SHEET
APRIL 30TH 2001

	Notes	<u>2001</u> £	<u>2000</u> £
TANGIBLE FIXED ASSETS	7	<u>205,486</u>	<u>191,618</u>
CURRENT ASSETS			
Work in Progress		2,325	0
Debtors	3	405,065	420,603
Cash		<u>160</u>	<u>150</u>
		<u>407,550</u>	<u>420,753</u>
Creditors : Amounts falling due within one year	4	294,888	322,793
NET CURRENT ASSETS		<u>112,662</u>	<u>97,960</u>
Total Assets Less Current Liabilities		318,148	289,578
Creditors : Amounts falling due after more than one year	5	33,090	38,619
		<u>285,058</u>	<u>250,959</u>
CAPITAL AND RESERVES			
Share capital	6	10,000	10,000
Profit and Loss Account		275,058	240,959
		<u>285,058</u>	<u>250,959</u>

For the year ended April 30th 2001 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 April 29th 2002.

Mrs D Johnson



Mr G A Small



April 29th 2002

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 2001

1 Operating profit

Operating profit for the year is after charging

	<u>2001</u>	<u>2000</u>
	<u>£</u>	<u>£</u>
Depreciation	30,119	23,623

2 Taxation

Corporation tax has been provided on taxable profits at the current small companies rate of 25 %.

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>2001</u>	<u>2000</u>
Trade Debtors	192,067	249,238
Sundry Debtors	212,998	171,365
	<u>405,065</u>	<u>420,603</u>

4 Creditors

Amounts falling due within one year :

	<u>2001</u>	<u>2000</u>
Bank Overdraft	124,350	116,399
Trade Creditors and Accruals	32,100	93,640
Corporation Tax	30,644	21,885
Value Added Tax	58,581	47,298
Paye and Nic	39,834	34,271
Bank Loan	9,379	9,300
	<u>294,888</u>	<u>322,793</u>

5 Creditors

Amounts falling due after one year :

	<u>2001</u>	<u>2000</u>
Bank Loan	33,090	38,619
	<u>33,090</u>	<u>38,619</u>

6 Share capital

	<u>2001</u>	<u>2000</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 2001

7 Fixed assets comprise:

	<u>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	92,412	35,500	101,706	18,192	8,707	256,517
Additions		10,000	33,519	779	1,461	45,759
Disposal		(5,600)				(5,600)
As at April 30th 2001	<u>92,412</u>	<u>39,900</u>	<u>135,225</u>	<u>18,971</u>	<u>10,168</u>	<u>296,676</u>
Depreciation						
Brought Forward		14,378	37,590	11,625	1,306	64,899
Charge in Year		7,338	20,219	1,739	823	30,119
Disposal		(3,828)				(3,828)
As at April 30th 2001	<u>0</u>	<u>17,888</u>	<u>57,809</u>	<u>13,364</u>	<u>2,129</u>	<u>91,190</u>
Net Book Value						
As at April 30th 2001	<u>92,412</u>	<u>22,012</u>	<u>77,416</u>	<u>5,607</u>	<u>8,039</u>	<u>205,486</u>
As at April 30th 2000	<u>92,412</u>	<u>21,122</u>	<u>64,116</u>	<u>6,567</u>	<u>7,401</u>	<u>191,618</u>