

EPC SERVICES LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
30 JUNE 2000



Company no 03365059

EPC SERVICES LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2000

Company registration number: 03365059

Registered office: 115 St Georges Road
Cheltenham
Glos
GL50 3ED

Directors: Rev B G Edwards
Rev J C Smyth

Secretary: Rev B Hunter

Bankers: National Westminster Bank Plc
31 Promenade
Cheltenham
Glos
GL50 1LH

Solicitors: Rickerby Waterson
Ellenborough House
Wellington Road
Cheltenham
Glos
GL50 1YD

Auditors: Registered Auditors
Chartered Accountants

EPC SERVICES LIMITED

FINANCIAL STATEMENTS

For the year ended 30 June 2000

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EPC SERVICES LIMITED

REPORT OF THE DIRECTORS

The directors present their report together with financial statements for the year ended 30 June 2000.

Principal activities

The company is principally engaged in the sale of insurance to churches of the Elim Foursquare Gospel Alliance, and the running of a conference for the same organisation.

Business review

Staff costs, which had previously been shared with the parent organisation, were fully borne by the company this year. It is confidently expected that the company will return to profit in the coming year.

There was a loss for the year after taxation amounting to £10,933 (1999: profit £100). The directors can not recommend payment of a dividend and the loss has therefore been transferred to a deficit on reserves.

Directors

The present membership of the Board is set out below. All directors served throughout the year except for Rev. T G Hills who resigned on 29 June 2000.

Rev B G Edwards
Rev J C Smyth

No director held an interest in the shares of the company during the period.

Directors' responsibilities for the financial statements

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:

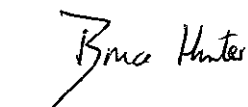
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for maintaining proper accounting records, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditors

Grant Thornton offer themselves for reappointment as auditors in accordance with section 385 of the Companies Act 1985.

BY ORDER OF THE BOARD



Rev B Hunter
Secretary
Date: 12 March 2001

**REPORT OF THE AUDITORS TO THE MEMBERS OF
EPC SERVICES LIMITED**

We have audited the financial statements on pages 3 to 8 which have been prepared under the accounting policies set out on page 3.

Respective responsibilities of directors and auditors

As described on page 1 the company's directors are responsible for the preparation of the financial statements in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with United Kingdom 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 30 June 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

CHELLENHAM
Date: 12 March 2001

EPC SERVICES LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention and on a going concern basis (see note 9).

The principal accounting policies of the company have remained unchanged from the previous year and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is calculated to write down the cost less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The rates generally applicable are:

Fixtures and fittings	25%
Computer equipment	25%

EPC SERVICES LIMITED**PROFIT AND LOSS ACCOUNT**

For the year ended 30 June 2000

	Note	2000 £	1999 £
Turnover	1	153,994	174,012
Cost of sales		(94,066)	(92,791)
Gross profit		59,928	81,221
Administrative expenses		(81,010)	(91,657)
Other operating income	1	10,149	10,536
Operating (loss)/profit		(10,933)	100
(Loss)/profit on ordinary activities before taxation	1	(10,933)	100
Tax on (loss)/profit on ordinary activities	3	-	-
(Loss)/profit transferred from/to deficit on reserves		(10,933)	100

STATEMENT OF DEFICIT ON RESERVES

	2000 £	1999 £
At 1 July 1999	455	355
Retained (loss)/profit for the year	(10,933)	100
At 30 June 2000	(10,478)	455

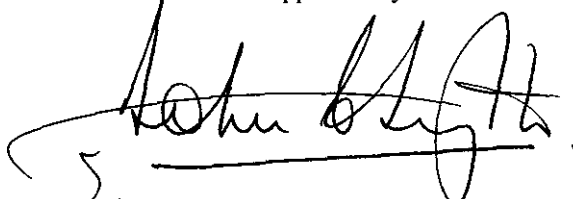

There were no recognised gains or losses other than the loss for the financial year.

The accompanying accounting policies and notes form an integral part of these financial statements.

EPC SERVICES LIMITED**BALANCE SHEET AT 30 JUNE 2000**

	Note	2000 £	1999 £
Fixed assets			
Tangible assets	4	1,834	1,673
Current assets			
Debtors	5	216,803	40,218
Cash at bank and in hand		39,852	36,441
		<u>256,655</u>	<u>76,659</u>
Creditors: amounts falling due within one year	6	(268,966)	(77,876)
Net current liabilities		<u>(12,311)</u>	<u>(1,217)</u>
Total assets less current liabilities		<u>(10,477)</u>	<u>456</u>
Capital and reserves			
Called up share capital	7	1	1
Profit and loss account		(10,478)	455
Shareholders' funds	8	<u>(10,477)</u>	<u>456</u>

The financial statements were approved by the Board of Directors on 12 March 2001

Rev J C Smyth
Director

Rev B G Edwards
Director

The accompanying accounting policies and notes form an integral part of these financial statements.

EPC SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2000

1 TURNOVER AND (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

The turnover and loss before taxation are attributable to the sale of insurances and conference income

The (loss)/profit on ordinary activities is stated after:

	2000 £	1999 £
Auditors' remuneration	2,940	1,800
Depreciation and amortisation: Tangible fixed assets, owned	1,169	836
Other operating income - offerings	10,149	10,536

2 DIRECTORS AND EMPLOYEES

Staff costs during the year were as follows:

	2000 £	1999 £
Wages and salaries	20,628	4,335

No director received any remuneration during the year

3 TAX ON LOSS ON ORDINARY ACTIVITIES

Unrelieved tax losses of £10,428 remain available to offset against future taxable trading profits.

4 TANGIBLE FIXED ASSETS

	Fixtures and fittings	Computer equipment	Total
Cost			
At 1 July 1999	746	2,599	3,345
Additions	-	1,330	1,330
At 30 June 2000	746	3,929	4,675
Depreciation			
At 1 July 1999	374	1,298	1,672
Provided in the year	187	982	1,169
At 30 June 2000	561	2,280	2,841
Net book amount at 30 June 2000	185	1,649	1,834
Net book amount at 30 June 1999	372	1,301	1,673

EPC SERVICES LIMITED**NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 30 June 2000

5 DEBTORS

	2000 £	1999 £
Trade debtors	203,925	40,218
Amounts owed by group undertakings	10,000	-
Other debtors	2,878	-
	<u>216,803</u>	<u>40,218</u>

6 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade creditors	178,142	18,937
Amounts owed to group undertakings	52,726	48,749
Social security and other taxes	7,352	6,890
Accruals	2,000	3,300
Deferred income	28,746	-
	<u>268,966</u>	<u>77,876</u>

7 SHARE CAPITAL

	2000 £	1999 £
Authorised 2 ordinary shares of £1 each	<u>2</u>	<u>2</u>
Allotted, called up and fully paid 1 ordinary share of £1	<u>1</u>	<u>1</u>

8 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
(Loss)/profit for the financial year	(10,933)	100
Net (decrease)/increase in shareholders' funds	(10,933)	100
Shareholders' funds at 1 July 1999	456	356
Shareholders' funds at 30 June 2000	<u>(10,477)</u>	<u>456</u>

EPC SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2000

9 CAPITAL COMMITMENTS

The company had no capital commitments at 30 June 2000 or 30 June 1999.

10 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 June 2000 or 30 June 1999.

11 GOING CONCERN

Despite net current liabilities of £12,311 (1999:£1,217), the financial statements have been prepared on a going concern basis due to the continued support of the ultimate parent entity Elim Foursquare Gospel Alliance.

12 TRANSACTIONS WITH RELATED PARTIES

During the year Elim Foursquare Gospel Alliance defrayed expenses on behalf of the company. At the year end, the company owed Elim Foursquare Gospel Alliance £52,726 (1999:£48,749).

During the year, the company granted an interest free loan of £10,000 (1999:£nil) to Direction Resources Limited, a fellow subsidiary undertaking, which was still outstanding at 30 June 2000.

13 ULTIMATE PARENT UNDERTAKING

The directors consider that the ultimate parent undertaking of this company is its parent Elim Foursquare Gospel Alliance.

Elim Foursquare Gospel Alliance is this company's controlling related party by virtue of ownership of the entire share capital of the company.

The largest and smallest group of undertakings for which group accounts have been drawn up is that headed by Elim Foursquare Gospel Alliance (Registered Charity No. 251549).