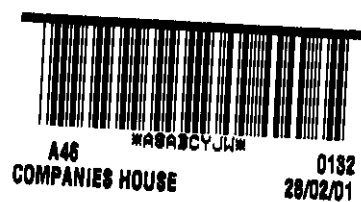


**MONITOR (EUROPE) LIMITED**

FINANCIAL STATEMENTS

FOR THE PERIOD ENDED

30 APRIL 2000



Company no 3755743

# MONITOR (EUROPE) LIMITED

## FINANCIAL STATEMENTS

For the period ended 30 April 2000

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Company registration number: 3755743

Registered office: Imperial House  
3, Montpellier Parade  
Cheltenham  
Gloucestershire  
GL50 1UA

Director: J E Mills

Secretary: T D Pockett

Bankers: Barclays Bank plc  
18 Southgate Street  
Gloucester  
Glos  
GL50 2DJ

Solicitors: Eversheds Solicitors  
Fitzalan House  
Fitzalan Road  
Cardiff  
CF2 1XZ

Auditors: Grant Thornton  
Registered Auditors  
Chartered Accountants  
The Quadrangle  
Imperial Square  
Cheltenham  
GL50 1PZ

# **MONITOR (EUROPE) LIMITED**

## **FINANCIAL STATEMENTS**

For the period ended 30 April 2000

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# **MONITOR (EUROPE) LIMITED**

## **REPORT OF THE DIRECTOR**

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The director presents his report together with financial statements for the period ended 30 April 2000.

### **Principal activities**

The company is principally engaged in the manufacture of environmental monitoring equipment.

### **Business review**

There was a loss for the period after taxation amounting to £205,064. The director does not recommend payment of a dividend.

### **Director**

J E Mills is the sole director of the company and served on the board throughout the year.

The director has no interest in the share capital of this company. His interest in the shares of the parent company are disclosed in that company's financial statements.

### **Director's responsibilities for the financial statements**

Company law requires the director 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 director is required to:

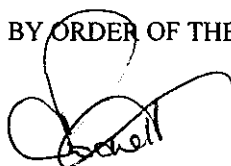
- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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



T Pockett  
Secretary

Date 26 JAN 2001

## **REPORT OF THE AUDITORS TO THE MEMBERS OF**

### **MONITOR (EUROPE) LIMITED**

We have audited the financial statements on pages 3 to 10 which have been prepared under the accounting policies set out on page 3.

#### **Respective responsibilities of the director and auditors**

As described on page 1 the company's director is 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 director 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 April 2000 and of its loss for the period then ended and have been properly prepared in accordance with the Companies Act 1985.



**GRANT THORNTON  
REGISTERED AUDITORS  
CHARTERED ACCOUNTANTS**

CHELTHENHAM

Date 26 JAN 2001

# **MONITOR (EUROPE) LIMITED**

## **PRINCIPAL ACCOUNTING POLICIES**

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### **BASIS OF PREPARATION**

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

### **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 other than freehold land by equal annual instalments over their expected useful lives. The periods generally applicable are:

Leasehold improvements	7 years
Plant and machinery	3 years
Fixtures and fittings	4 years
Computer equipment	4 years

### **GOVERNMENT GRANTS**

Government grants in respect of capital expenditure are credited to a deferred income account and are released to the profit and loss account by equal annual instalments over the expected useful lives of the relevant assets.

### **STOCKS**

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

### **DEFERRED TAXATION**

Deferred tax is provided for using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

### **LEASED ASSETS**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

**MONITOR (EUROPE) LIMITED****PROFIT AND LOSS ACCOUNT**

For the period ended 30 April 2000

	Note	2000 £
<b>Turnover</b>	1	678,781
Cost of sales		(601,546)
Gross profit		77,235
Distribution costs		(17,788)
Administrative expenses		(261,903)
Other operating income		16,466
<b>Operating loss</b>		(185,990)
Interest payable	2	(19,074)
<b>Loss on ordinary activities before taxation</b>	1	(205,064)
Tax on loss on ordinary activities	4	-
<b>Loss transferred from reserves</b>	11	(205,064)

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

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

**MONITOR (EUROPE) LIMITED****BALANCE SHEET AT 30 APRIL 2000**

	Note	2000 £
<b>Fixed assets</b>		
Tangible assets	5	159,345
		<u>159,345</u>
<b>Current assets</b>		
Stocks	6	291,168
Debtors	7	477,455
		<u>768,623</u>
<b>Creditors: amounts falling due within one year</b>	8	<u>(1,103,760)</u>
<b>Net current liabilities</b>		<u>(335,137)</u>
<b>Total assets less current liabilities</b>		<u>(175,792)</u>
<b>Creditors: amounts falling due after more than one year</b>	9	<u>(29,270)</u>
		<u>(205,062)</u>
<b>Capital and reserves</b>		
Called up share capital	10	2
Profit and loss account	11	(205,064)
<b>Shareholders' funds</b>	12	<u>(205,062)</u>

The financial statements were approved by the Board of Directors on 26 JAN 2001

Director

J E Mills



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



# MONITOR (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 April 2000

### 1 TURNOVER AND LOSS ON ORDINARY ACTIVITIES BEFORE TAXATION

The loss on ordinary activities is stated after:	2000 £
Auditors' remuneration	2,250
Depreciation and amortisation:	
Tangible fixed assets, owned	5,722
Tangible fixed assets, held under finance leases and hire purchase contracts	5,600
Hire of plant and machinery	588
Other operating lease rentals	11,331
	<hr/>
Other operating income includes:	
Grant income	16,466
	<hr/>

### 2 INTEREST PAYABLE

	2000 £
Finance charges in respect of finance leases	2,228
Other interest payable and similar charges	16,846
	<hr/>
	19,074
	<hr/>

### 3 DIRECTOR AND EMPLOYEES

Staff costs during the period were as follows:	2000 £
Wages and salaries	64,193
Social security costs	6,004
	<hr/>
	70,197
	<hr/>

The average number of employees of the company during the period was 4.

The average number of employees of the company during the period were as follows:

	2000 Number
Production	2
Selling and distribution	1
Administration	1
	<hr/>
	4
	<hr/>

**MONITOR (EUROPE) LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the period ended 30 April 2000

**4 TAX ON LOSS ON ORDINARY ACTIVITIES**

Unrelieved tax losses of £220,000 remain available to offset against future taxable trading profits.

**5 TANGIBLE FIXED ASSETS**

	Assets under construction £	Leasehold improve- ments £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Total £
Cost						
Additions	20,504	95,551	5,373	9,059	40,180	170,667
At 30 April 2000	20,504	95,551	5,373	9,059	40,180	170,667
Depreciation						
Provided in the period	-	3,654	711	1,097	5,860	11,322
At 30 April 2000	-	3,654	711	1,097	5,860	11,322
Net book amount at 30 April 2000	20,504	91,897	4,662	7,962	34,320	159,345

The figures stated above include assets held under finance leases and similar hire purchase contracts, as follows:

	Plant and machinery £	Computer equipment £
Net book amount at 30 April 2000	11,365	30,360
Depreciation provided during period	420	5,180

**6 STOCKS**

	2000 £
Raw materials	106,398
Short-term work in progress	87,844
Finished goods and goods for resale	96,926
	291,168

# MONITOR (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 April 2000

### 7 DEBTORS

	2000 £
Trade debtors	422,196
Amounts owed by group undertakings	38,321
Other debtors	16,938
	<u>477,455</u>

### 8 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £
Bank loans and overdrafts	728,700
Trade creditors	326,537
Social security and other taxes	2,879
Accruals and deferred income	29,679
Amounts due under finance leases	15,965
	<u>1,103,760</u>

The bank overdrafts are secured by a fixed and floating charge over all of the company's assets.

### 9 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £
Amounts due under finance leases	29,270
	<u>29,270</u>

Borrowings are repayable as follows:

	2000 £
Within one year	
Bank and other borrowings	728,700
Finance leases	15,965
After one and within two years	
Finance leases	11,408
After two and within five years	
Finance leases	17,862
After five years	
	<u>773,935</u>

# MONITOR (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 April 2000

### 10 SHARE CAPITAL

	2000 £
Authorised 10,000 ordinary £1 shares	10,000
Allotted, called up and fully paid 2 ordinary £1 shares	2

### 11 RESERVES

	Profit and loss account £
Retained loss for the period and at 30 April 2000	(205,064)

### 12 RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £
Loss for the financial period	(205,064)
Issue of shares	2
Net decrease in shareholders' funds	(205,062)

### 13 CAPITAL COMMITMENTS

The company had no capital commitments at 30 April 2000.

### 14 CONTINGENT LIABILITIES

There were no contingent liabilities at 30 April 2000.

# MONITOR (EUROPE) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

For the period ended 30 April 2000

### 15 LEASING COMMITMENTS

Operating lease payments amounting to £71,274 are due within one year. The leases to which these amounts relate expire as follows:

	Land and buildings £	2000 Other £
Between one and five years	-	1,074
In five years or more	70,200	-
	<u>70,200</u>	<u>1,074</u>

### 16 ULTIMATE PARENT UNDERTAKING/CONTROLLING RELATED PARTY

The ultimate parent undertaking of this company is ETI Group Limited, a company registered in England and Wales.

On 17 October 2000 this company and its parent company, ETI Group Limited, were merged with the Energy and Environment division of CRE Group Limited.

The trading activities of the merged entity are undertaken through this company, which is now owned 50% by Mr J E Mills and 50% by CRE Group Limited.

### 17 TRANSACTIONS WITH RELATED PARTIES

During the period the company purchased goods to the value of £37,385 from its ultimate parent undertaking, ETI Group Limited. The amount owed at the period end was £43,927. The company also sold goods to the value of £264,447 to ETI Group limited. The amount owing at the period end was £306,197. Amounts owed at the period end in respect of management charges from ETI Group Limited were £38,321.