

Jabay Limited
Annual Report and Accounts
31st March 1996

Company No 2626955



JABAY LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 1996

The director presents his report together with the audited financial statements for the year ended 31st March 1996.

PRINCIPAL ACTIVITY AND REVIEW OF THE BUSINESS

The company remained dormant during the year under review.

DIRECTORS AND THEIR INTERESTS

The beneficial interest of the director who served throughout the year, in the share capital of Severn Trent Plc, the parent undertaking was as follows:-

	Beneficial holding in ordinary shares		Share Options under approved schemes			
	31 March 1996	1 April 1995	1 April 1995	Exercised in year	Granted in year	31 March 1996
I J Hislop	3,069	2,860	37,319	-	644	37,963

Share options were granted in accordance with the Severn Trent Executive Share Option Scheme and the Severn Trent Sharesave Scheme as appropriate. Details of prices and periods within which options are exercisable are set out in the financial statements of Severn Trent Plc. According to the register required to be kept under section 325 of the Companies Act 1985, the director did not hold any shares in the Company as at 31st March 1996.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is required by the Companies Act 1985 to prepare financial statements for each financial year 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 the profit or loss for the financial year.

The director considers that in preparing the financial statements, the Company has used appropriate accounting policies, consistently applied and supported by reasonable and prudent judgements and estimates, and that all accounting standards which he considers to be applicable have been followed, subject to any explanations and any material departures disclosed in the notes to the financial statements.

The director is required to prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director has responsibility for ensuring that the Company keeps accounting records which disclose with reasonable accuracy the financial position of the Company and which enable him to ensure that the financial statements comply with the Companies Act 1985.

The director has general responsibility for taking such steps as is reasonably open to him to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

JABAY LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MARCH 1996

AUDITORS

A special resolution will be proposed at the Annual General Meeting, which if passed will enable the Company to exempt itself from the obligation to appoint auditors under section 250 of the Companies Act 1985.

BY ORDER OF THE BOARD

A handwritten signature in dark ink, appearing to be 'D. W. Mattin', written over a horizontal line.

D. W. Mattin
Secretary

Date: 17th December 1996

AUDITORS' REPORT TO THE MEMBERS OF JABAY LIMITED

We have audited the financial statements on pages 4 to 9 which have been prepared under the historical cost convention and the accounting policies set out on pages 6 to 7.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

As described on page 1, the company's director is responsible for the preparation of the financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report 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 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 March 1996 and of its results for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



PRICE WATERHOUSE
Chartered Accountants
and Registered Auditors

Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

17th December 1996

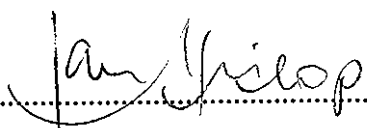
JABAY LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31ST MARCH 1996

	<u>Notes</u>	<u>Year ended</u> <u>31st March 1996</u> <u>£'000</u>	<u>Year ended</u> <u>31st March 1995</u> <u>£'000</u>
Turnover	1(e)+2	-	201
Cost of Sales		-	(122)
		<hr/>	<hr/>
GROSS PROFIT		-	79
Operating expenses	3	-	(115)
		<hr/>	<hr/>
OPERATING LOSS	4	-	(36)
Profit on sale of operation		-	201
Interest payable and similar charges	7	-	(6)
		<hr/>	<hr/>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		-	159
Taxation	8	-	-
		<hr/>	<hr/>
PROFIT FOR THE YEAR		-	159
Retained losses brought forward		(430)	(589)
		<hr/>	<hr/>
RETAINED LOSS CARRIED FORWARD		(430)	(430)
		<hr/> <hr/>	<hr/> <hr/>

The company had no recognised gains or losses in the year and in the prior year, only the profit for the year. There is no material difference between the result as disclosed in the profit and loss account and the result on an unmodified historical basis.

JABAY LIMITED
BALANCE SHEET
31ST MARCH 1996

	<u>Notes</u>	<u>Year ended</u> <u>31st March 1996</u> <u>£'000</u>	<u>Year ended</u> <u>31st March 1995</u> <u>£'000</u>
FIXED ASSETS			
Tangible fixed assets		-	-
CURRENT ASSETS			
Stocks		-	-
Debtors		-	-
Cash at bank and in hand		-	-
		<hr/>	<hr/>
		-	-
CREDITORS (amounts falling due within one year)		-	-
		<hr/>	<hr/>
NET CURRENT ASSETS		-	-
		<hr/>	<hr/>
NET LIABILITIES		-	-
		<hr/>	<hr/>
CAPITAL AND RESERVES			
Called up share capital	9	430	430
Profit and loss account		(430)	(430)
		<hr/>	<hr/>
SHAREHOLDERS' FUNDS	10	-	-
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I J Hislop - Director
17th December 1996

JABAY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1996

1. ACCOUNTING POLICIES

a) Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable accounting standards.

b) Tangible fixed assets

Depreciation is calculated to write off the cost of fixed assets on a straight line basis over the expected useful economic lives of the assets concerned. The principal useful lives used for this purpose are:-

Leasehold improvements	Life of lease
Plant, machinery, fixtures and fittings	10 years
Office equipment	6 years

c) Stocks and work in progress

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and includes transport and handling costs. In the case of manufactured products, costs include all direct expenditure and a proportion of production overheads based on the normal level of activity.

d) Foreign currencies

Assets and liabilities expressed in foreign currencies are translated at rates of exchange ruling at the end of the financial year, and the results of foreign operations are translated at the average rate of exchange for the whole year. Exchange differences on trading transactions are taken to the profit and loss account.

e) Turnover

Turnover, which excludes value added tax and trade discounts, represents the invoiced value of goods and services supplied.

f) Taxation

Deferred taxation relating to capital allowances and other timing differences is provided for to the extent it is probable that a liability will crystallize.

g) Pension costs

Pension costs which relate to payments to employees' own defined contribution pension plans, are charged to the profit and loss account as they fall due.

JABAY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1996

1. ACCOUNTING POLICIES (continued)

h) Leases

Operating lease rentals are charged to the profit and loss account as they fall due.

i) Cash flow statement

The parent undertaking, Severn Trent Plc, has included a cash flow statement in its financial statements for the year ended 31st March 1996. Under paragraph (8c) of the Financial Reporting Standard 1, no cash flow statement is required in the accounts of this Company.

2. TURNOVER

Turnover and results before taxation in 1995 arose wholly from the Company's principal activity of manufacturing and marketing of ultra violet disinfection equipment. Turnover can be analysed geographically by destination as follows:

	<u>Year ended</u> <u>31st March 1996</u> <u>£'000</u>	<u>Year ended</u> <u>31st March 1995</u> <u>£'000</u>
UK	-	176
Rest of Europe	-	25
	<hr/>	<hr/>
	-	201
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The Company's turnover is sourced entirely in the United Kingdom.

3. OPERATING EXPENSES

Net operating expenses are made up as follows:

	<u>Year ended</u> <u>31st March 1996</u> <u>£'000</u>	<u>Year ended</u> <u>31st March 1995</u> <u>£'000</u>
Research and development expenditure	-	37
Administrative expenses	-	78
	<hr/>	<hr/>
	-	115
	<hr/>	<hr/>

JABAY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1996

4. OPERATING LOSS

Operating loss is stated after charging:

	<u>Year ended</u> <u>31st March 1996</u> <u>£'000</u>	<u>Year ended</u> <u>31st March 1995</u> <u>£'000</u>
Auditors' remuneration	-	2
Depreciation of tangible fixed assets	-	7
Operating lease rentals - Land and buildings	-	3
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5. DIRECTOR'S REMUNERATION

The director received no emoluments for his services to the company during the year (1995:£Nil)

6. STAFF COSTS

	<u>Year ended</u> <u>31st March 1996</u> <u>£'000</u>	<u>Year ended</u> <u>31st March 1995</u> <u>£'000</u>
Wages and salaries	-	113
Social security costs	-	11
Other pension costs	-	1
	<hr/>	<hr/>
	-	125
	<hr/>	<hr/>

Average number of employees including directors are as follows:

	<u>Number</u>	<u>Number</u>
Production and technical	-	3
Financial and administration	-	3
	<hr/>	<hr/>
	-	6
	<hr/>	<hr/>

JABAY LIMITED
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31ST MARCH 1996

7. INTEREST PAYABLE

	<u>Year ended</u> <u>31st March 1996</u> <u>£'000</u>	<u>Year ended</u> <u>31st March 1995</u> <u>£'000</u>
Interest on bank overdraft	-	6

8. TAXATION

No corporation tax is payable (1995: £nil) At 31st March 1996 the company had no potential liability for the deferred taxation.

9. CALLED UP SHARE CAPITAL

	<u>31st March 1996</u>		<u>31st March 1995</u>	
	<u>No</u>	<u>£</u>	<u>No</u>	<u>£</u>
Authorised:				
Ordinary shares of £1 each	450,000	450,000	450,000	450,000
Allotted and called up:				
Ordinary shares of £1 each	430,100	430,100	430,100	430,100

10. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	<u>31st March 1996</u> <u>£'000</u>	<u>31st March 1995</u> <u>£'000</u>
Profit for the financial year	-	159
Opening shareholders' funds	-	(159)
Closing shareholders' funds	-	-

11. PARENT UNDERTAKING

The holding company is Severn Trent Plc which is incorporated in England and Wales. Copies of the group accounts may be obtained from the Company Secretary, Severn Trent Plc, 2297 Coventry Road, Birmingham, B26 3PU.