

REGISTERED NUMBER: 3033421 (England and Wales)

Abbreviated Financial Statements for the Year Ended 31 March 2000

for

Ewan Associates Ltd



Ewan Associates Ltd

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for the Year Ended 31 March 2000

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Ewan Associates Ltd

Company Information
for the Year Ended 31 March 2000

DIRECTORS:

VJ Ewan
AC Southall
PW Lane
ST Walker
I Miller

SECRETARY:

SJ Blannin

REGISTERED OFFICE:

Priory Court
Poulton
Cirencester
GL7 5JB

REGISTERED NUMBER:

3033421 (England and Wales)

AUDITORS:

Morley & Co.
Registered Auditors
Chartered Accountants
2 Cricklade Court
Old Town
Swindon
SN1 3EY

Ewan Associates Ltd

Report of the Directors
for the Year Ended 31 March 2000

The directors present their report with the financial statements of the company for the year ended 31 March 2000.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of provision of engineering consultancy and operational support services to the water industry but this has been extended during the year to include other utility companies.

REVIEW OF BUSINESS

The results for the year and financial position of the company are as shown in the annexed financial statements.

The year has seen a 12% reduction in turnover from £5.48m to £4.80m. This largely stems from £1.5m reduced income, as a result of the wind down of a single major project nearing completion, only half of which was replaced with new work. Pre-tax profits are up by 38% from the previous year before an exceptional item allowance for a payment of £120,000 to a retiring director.

The business has undergone a number of substantial changes during the course of the year. Three changes have occurred at Director level, Ian Miller was appointed in August, Keith Stoops left in October and Stewart Walker was diagnosed with an aggressive cancer in December and sadly died in April 2000. The new management structure introduced in April 1999 has settled down allowing the opportunity to realign the Directors' responsibilities along functional lines for the coming year as follows :

Vincent Ewan - Chairman & MD
Peter Lane - Business Development
Andrew Southall - Director of Operations
Ian Miller - Director of Technology

Two serious acquisition opportunities were examined, one specialising in wastewater system modelling, the other in water distribution leakage detection. The former was brought into business in November, the latter being rejected at a late stage. The new division has rapidly established itself with a strong forward workload and significant expansion is anticipated.

Considerable investment has been made in 3 principal areas during the year:

1. Marketing of our services in Scotland has established good relationships and developed a number of projects. The prospects in Scotland are strong and on this basis a new office has been established in Dumfries.
2. R&D investment has continued within Optimal Solutions.
3. Market development work has been undertaken within Technology Solutions to build business opportunities for services outside the water sector.

The profile raising activity has continued with the development of a company website and attendance at IWEX '99 and efforts made to extend the client base have met with successes in the gas & electricity sectors.

FUTURE DEVELOPMENTS

The regulatory cycle of the water industry in England & Wales places constraints on the water companies which leads to artificial peaks and troughs in workload for service providers. It is anticipated that this will result in a downturn in work from our traditional clients for the coming 12-18 months.

Our targets for the year are to maintain our core water workload by replacing the downturn in England & Wales with work from new markets in Scotland & Northern Ireland; to obtain a return on investments in the Optimal Solutions division; to extend the application of transferable core skills into new sectors; and to move the primary focus of the Technology Solutions division to non-water work.

Achieving growth in the coming year will be a significant challenge. However, we believe that many opportunities have already been created to enable the company to more than regain the turnover lost in the currently reported figures.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2000.

Ewan Associates Ltd

Report of the Directors
for the Year Ended 31 March 2000

DIRECTORS

The directors during the year under review were:

VJ Ewan	
KJ Stoops	- resigned 31.10.99
AC Southall	
PW Lane	
ST Walker	
I Miller	- appointed 1.8.99

The beneficial interests of the directors holding office on 31 March 2000 in the issued share capital of the company were as follows:

		1.4.99 or date of appointment if later
	31.3.00	
A Ordinary Shares £1 shares		
VJ Ewan	69,175	70,000
AC Southall	10,000	10,000
PW Lane	20,000	10,000
ST Walker	-	-
I Miller	-	-
B Ordinary Shares £1 shares		
VJ Ewan	270	300
AC Southall	90	50
PW Lane	90	50
ST Walker	-	-
I Miller	-	-
C Ordinary Shares £1 shares		
VJ Ewan	420	-
AC Southall	140	-
PW Lane	140	-
ST Walker	-	-
I Miller	-	-

THE EURO

As a result of the introduction of the Euro, the directors have assessed the impact on the business of using this currency. It is not considered necessary to update any equipment to facilitate the Euro, and any transactions in this currency would be dealt with under the provisions of SSAP 20 - Foreign Currency Translation.

Ewan Associates Ltd

Report of the Directors
for the Year Ended 31 March 2000

STATEMENT OF 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 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 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.

ON BEHALF OF THE BOARD:



SJ Blannin - SECRETARY

Dated: 29 November 2000

Ewan Associates Ltd
Report of the Auditors to
Ewan Associates Ltd
Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages six to seventeen, together with the full financial statements of the company for the year ended 31 March 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion

We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did not include examining or dealing with events after the date of our report on the full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages six to seventeen are properly prepared in accordance with that provision.



Morley & Co.
Registered Auditors
Chartered Accountants
2 Cricklade Court
Old Town
Swindon
SN1 3EY

Dated: 29 November 2000

Ewan Associates Ltd

Abbreviated Profit and Loss Account
for the Year Ended 31 March 2000

		<u>2000</u>	<u>1999</u>
	Notes	£	£
GROSS PROFIT		1,488,958	2,020,429
Administrative expenses		<u>1,203,690</u>	<u>1,730,575</u>
OPERATING PROFIT	3	285,268	289,854
Interest payable and similar charges	4	<u>17,519</u>	<u>9,636</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		267,749	280,218
Tax on profit on ordinary activities	5	<u>32,918</u>	<u>63,000</u>
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION		234,831	217,218
Retained profit brought forward		<u>417,218</u>	<u>200,000</u>
RETAINED PROFIT CARRIED FORWARD		<u>£652,049</u>	<u>£417,218</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES

The company has no recognised gains or losses other than the profits for the current and previous years.

Ewan Associates Ltd

Abbreviated Balance Sheet
31 March 2000

		<u>2000</u>		<u>1999</u>	
	Notes	£	£	£	£
FIXED ASSETS:					
Intangible assets	6		85,092		-
Tangible assets	7		<u>380,736</u>		<u>311,497</u>
			465,828		311,497
CURRENT ASSETS:					
Debtors	8	1,227,117		1,441,710	
Cash at bank and in hand		<u>5,936</u>		<u>154,532</u>	
		1,233,053		1,596,242	
CREDITORS: Amounts falling due within one year	9	<u>763,040</u>		<u>1,224,233</u>	
NET CURRENT ASSETS:			<u>470,013</u>		<u>372,009</u>
TOTAL ASSETS LESS CURRENT LIABILITIES:			935,841		683,506
CREDITORS: Amounts falling due after more than one year	10		<u>181,792</u>		<u>165,288</u>
			<u>£754,049</u>		<u>£518,218</u>
CAPITAL AND RESERVES:					
Called up share capital	15		102,000		101,000
Profit and loss account			<u>652,049</u>		<u>417,218</u>
SHAREHOLDERS' FUNDS:	18		<u>£754,049</u>		<u>£518,218</u>

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:


VJ Ewan DIRECTOR

Approved by the Board on 29 November 2000

Ewan Associates Ltd
Cash Flow Statement
for the Year Ended 31 March 2000

		2000		1999	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	1		(21,646)		496,631
Returns on investments and servicing of finance	2		(17,519)		(9,636)
Taxation			(62,723)		(49,176)
Capital expenditure	2		(182,018)		(103,425)
			(283,906)		334,394
Financing	2		(70,592)		(118,036)
(Decrease)/Increase in cash in the period			<u>£(354,498)</u>		<u>£216,358</u>
Reconciliation of net cash flow to movement in net debt	3				
(Decrease)/Increase in cash in the period			(354,498)		216,358
Cash outflow from decrease in debt and lease financing			<u>71,592</u>		<u>71,557</u>
Change in net debt resulting from cash flows			(282,906)		287,915
New finance leases			<u>(87,344)</u>		<u>(40,800)</u>
Movement in net debt in the period			(370,250)		247,115
Net debt at 1 April			<u>(61,224)</u>		<u>(308,339)</u>
Net debt at 31 March			<u>£(431,474)</u>		<u>£(61,224)</u>

The notes form part of these financial statements

Ewan Associates Ltd

Notes to the Cash Flow Statement
for the Year Ended 31 March 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	285,268	289,854
Depreciation charges	107,846	132,242
Loss on sale of fixed assets	7,313	12,138
Profit on sale of fixed assets	(130)	-
Decrease in debtors	214,595	158,007
Decrease in creditors	<u>(636,538)</u>	<u>(95,610)</u>
Net cash (outflow)/inflow from operating activities	<u>(21,646)</u>	<u>496,631</u>

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest paid	(9,158)	(537)
Interest element of hire purchase or finance lease rentals payments	<u>(8,361)</u>	<u>(9,099)</u>
Net cash outflow for returns on investments and servicing of finance	<u>(17,519)</u>	<u>(9,636)</u>
Capital expenditure		
Purchase of intangible fixed assets	(85,092)	-
Purchase of tangible fixed assets	(108,776)	(103,975)
Sale of tangible fixed assets	<u>11,850</u>	<u>550</u>
Net cash outflow for capital expenditure	<u>(182,018)</u>	<u>(103,425)</u>
Financing		
Loan repayments in year	(71,592)	(71,557)
Amount withdrawn by directors	-	(47,479)
Cash receipt re share issue	<u>1,000</u>	<u>1,000</u>
Net cash outflow from financing	<u>(70,592)</u>	<u>(118,036)</u>

The notes form part of these financial statements

Ewan Associates Ltd

Notes to the Cash Flow Statement
for the Year Ended 31 March 2000

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.4.99 £	Cash flow £	Other non-cash changes £	At 31.3.00 £
Net cash:				
Cash at bank and in hand	154,532	(148,596)		5,936
Bank overdraft	<u>-</u>	<u>(205,902)</u>		<u>(205,902)</u>
	<u>154,532</u>	<u>(354,498)</u>		<u>(199,966)</u>
Debt:				
Hire purchase or finance leases	(75,082)	71,592	(87,344)	(90,834)
Debts falling due after one year	<u>(140,674)</u>	<u>-</u>	<u>-</u>	<u>(140,674)</u>
	<u>(215,756)</u>	<u>71,592</u>	<u>(87,344)</u>	<u>(231,508)</u>
Total	<u>(61,224)</u>	<u>(282,906)</u>	<u>(87,344)</u>	<u>(431,474)</u>
Analysed in Balance Sheet				
Cash at bank and in hand	154,532			5,936
Bank overdraft	-			(205,902)
Hire purchase or finance leases				
within one year	(50,468)			(49,716)
after one year	(24,614)			(41,118)
Debts falling due after one year	<u>(140,674)</u>			<u>(140,674)</u>
	<u>(61,224)</u>			<u>(431,474)</u>

Ewan Associates Ltd

Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2000

1. ACCOUNTING POLICIES

Accounting convention

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

Turnover

Turnover represents net invoiced sales of services and goods, excluding value added tax.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in November 1999 is being written off evenly over its estimated useful life of three years. No amortisation has been applied in the year of acquisition.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold Improvements	- in accordance with the property
Furniture	- Year 1-3 at 20% on cost, year 4 at 10%, thereafter at 5% per annum
Electrical Equipment	- Year 1-3 at 20% on cost, year 4 at 10%, thereafter at 5% per annum
Other Equipment	- Year 1-3 at 20% on cost, year 4 at 10%, thereafter at 5% per annum
Logging Equipment	- Year 1-3 at 20% on cost, year 4 at 10%, thereafter at 5% per annum
Motor Vehicles	- Year 1-3 at 20% on cost, year 4 at 10%, thereafter at 5% per annum
Computer Equipment	- Year 1-3 at 20% on cost, year 4 at 10%, thereafter at 5% per annum

Deferred taxation

Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Research and development

Expenditure on in-house research and development is written off in the year in which it is incurred while externally procured scientific R&D is accounted for in accordance with SSAP 13.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. All are depreciated over their estimated useful lives.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the profit and loss account as incurred.

Pension Costs

Pension payments are made under a defined contribution scheme to an independently administered fund. The charge to the profit and loss account is the amount of contribution due for payment in respect of the particular accounting period. Any outstanding or prepaid contributions at the balance sheet date are accounted for under the accruals concept where necessary.

Ewan Associates Ltd

Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2000

2. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	2,531,896	2,877,921
Social security costs	222,524	249,250
Other pension costs	82,132	170,431
	<u>2,836,552</u>	<u>3,297,602</u>

The average monthly number of employees during the year was as follows:

	2000	1999
Directors	5	5
Admin	16	14
Engineers	<u>154</u>	<u>122</u>
	<u>175</u>	<u>141</u>

3. OPERATING PROFIT

The operating profit is stated after charging:

	2000	1999
	£	£
Rent	96,103	68,104
Depreciation - owned assets	73,651	92,713
Depreciation - assets on hire purchase contracts or finance leases	34,195	39,529
Loss on disposal of fixed assets	7,183	12,138
Auditors' remuneration	7,000	7,000
Directors Pension Contributions	<u>37,736</u>	<u>140,366</u>
Directors' emoluments	210,782	821,680
Exceptional payment to retiring director	<u>120,000</u>	<u>-</u>

Information regarding the highest paid director is as follows:

	2000	1999
	£	£
Emoluments etc	147,133	479,281
Pension contributions to money purchase schemes	<u>1,753</u>	<u>37,266</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Bank Interest	2,124	473
Loan	7,034	-
Interest on Late Tax	-	64
HP & LP Interest	<u>8,361</u>	<u>9,099</u>
	<u>17,519</u>	<u>9,636</u>

Ewan Associates Ltd

Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2000

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax	32,000	63,000
(Under)Over Provision Prior Yr	<u>918</u>	<u>-</u>
	<u><u>32,918</u></u>	<u><u>63,000</u></u>

UK corporation tax has been charged at 20% (1999 - 21%).

6. INTANGIBLE FIXED ASSETS

	<u>Goodwill</u>	<u>Research & Development</u>	<u>Totals</u>
	£	£	£
COST:			
Additions	<u>12,000</u>	<u>73,092</u>	<u>85,092</u>
At 31 March 2000	<u>12,000</u>	<u>73,092</u>	<u>85,092</u>
NET BOOK VALUE:			
At 31 March 2000	<u><u>12,000</u></u>	<u><u>73,092</u></u>	<u><u>85,092</u></u>

7. TANGIBLE FIXED ASSETS

	<u>Leasehold Improvem- ents</u>	<u>Furniture</u>	<u>Electric- al Equipment</u>	<u>Other Equipment</u>
	£	£	£	£
COST:				
At 1 April 1999	7,284	35,020	30,909	44,699
Additions	6,000	10,218	21,368	44,820
Disposals	<u>-</u>	<u>(105)</u>	<u>(2,460)</u>	<u>(144)</u>
At 31 March 2000	<u>13,284</u>	<u>45,133</u>	<u>49,817</u>	<u>89,375</u>
DEPRECIATION:				
At 1 April 1999	644	18,560	17,409	25,988
Charge for year	-	5,890	7,230	4,816
Eliminated on disposals	<u>-</u>	<u>(83)</u>	<u>(2,460)</u>	<u>(144)</u>
At 31 March 2000	<u>644</u>	<u>24,367</u>	<u>22,179</u>	<u>30,660</u>
NET BOOK VALUE:				
At 31 March 2000	<u><u>12,640</u></u>	<u><u>20,766</u></u>	<u><u>27,638</u></u>	<u><u>58,715</u></u>
At 31 March 1999	<u><u>6,640</u></u>	<u><u>16,461</u></u>	<u><u>13,499</u></u>	<u><u>18,712</u></u>

Ewan Associates Ltd

**Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2000**

7. TANGIBLE FIXED ASSETS - continued

	Logging Equipment	Motor Vehicles	Computer Equipment	Totals
	£	£	£	£
COST:				
At 1 April 1999	175,446	136,968	211,270	641,596
Additions	-	36,264	77,450	196,120
Disposals	(1,275)	(35,771)	(2,082)	(41,837)
At 31 March 2000	<u>174,171</u>	<u>137,461</u>	<u>286,638</u>	<u>795,879</u>
DEPRECIATION:				
At 1 April 1999	80,808	55,756	130,936	330,101
Charge for year	23,242	25,760	40,908	107,846
Eliminated on disposals	(255)	(18,515)	(1,347)	(22,804)
At 31 March 2000	<u>103,795</u>	<u>63,001</u>	<u>170,497</u>	<u>415,143</u>
NET BOOK VALUE:				
At 31 March 2000	<u>70,376</u>	<u>74,460</u>	<u>116,141</u>	<u>380,736</u>
At 31 March 1999	<u>94,639</u>	<u>81,212</u>	<u>80,334</u>	<u>311,497</u>

Fixed assets, included in the above, which are held under hire purchase contracts or finance leases are as follows:

	Other Equipment	Logging Equipment	Motor Vehicles	Computer Equipment	Totals
	£	£	£	£	£
COST:					
At 1 April 1999	-	108,420	79,727	10,679	198,826
Additions	41,380	-	36,264	9,700	87,344
Disposals	-	-	(35,771)	-	(35,771)
Transferred to ownership	-	(67,620)	(1,200)	(10,679)	(79,499)
At 31 March 2000	<u>41,380</u>	<u>40,800</u>	<u>79,020</u>	<u>9,700</u>	<u>170,900</u>
DEPRECIATION:					
At 1 April 1999	-	35,208	35,871	4,270	75,349
Charge for year	8,276	8,160	15,819	1,940	34,195
Eliminated on disposals	-	-	(18,515)	-	(18,515)
Transferred to ownership	-	(27,048)	(240)	(4,270)	(31,558)
At 31 March 2000	<u>8,276</u>	<u>16,320</u>	<u>32,935</u>	<u>1,940</u>	<u>59,471</u>
NET BOOK VALUE:					
At 31 March 2000	<u>33,104</u>	<u>24,480</u>	<u>46,085</u>	<u>7,760</u>	<u>111,429</u>
At 31 March 1999	<u>-</u>	<u>73,212</u>	<u>43,856</u>	<u>6,409</u>	<u>123,477</u>

Ewan Associates Ltd

Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2000

**8. DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Trade Debtors	1,189,340	1,417,433
Other Debtors	7,777	6,777
Prepayments	30,000	17,500
	<u>1,227,117</u>	<u>1,441,710</u>

**9. CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2000 £	1999 £
Bank loans and overdrafts (see note 11)	205,902	-
Trade Creditors	183,791	238,182
Other Creditors	88	48,756
Hire Purchase	49,716	50,468
V.A.T.	177,541	193,214
Social Security & Other Taxes	96,312	69,977
Taxation	32,000	61,805
Accruals	17,690	561,831
	<u>763,040</u>	<u>1,224,233</u>

**10. CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2000 £	1999 £
Hire Purchase	41,118	24,614
Directors Loan Accounts	140,674	140,674
	<u>181,792</u>	<u>165,288</u>

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>205,902</u>	<u>-</u>

Ewan Associates Ltd

Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2000

12. OBLIGATIONS UNDER LEASING AGREEMENTS

The following payments are committed to be paid within one year:

	2000 £	Land and buildings operating leases 1999 £
Expiring:		
Within one year	9,910	35,260
Between one and five years	56,646	-
In more than five years	<u>22,165</u>	<u>37,646</u>
	<u>88,721</u>	<u>72,906</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2000 £	1999 £
Bank overdrafts	<u>205,902</u>	<u>-</u>

The bank overdraft is secured by a mortgage debenture over all the company assets.

14. PROVISIONS FOR LIABILITIES AND CHARGES

The amount for which no provision has been made in respect of deferred taxation, is as follows:

	2000 £	1999 £
Accelerated Capital Allowances	<u>12,110</u>	<u>5,628</u>

Ewan Associates Ltd

Notes to the Abbreviated Financial Statements
for the Year Ended 31 March 2000

15. CALLED UP SHARE CAPITAL

Authorised:		Nominal value:	2000	1999
Number:	Class:		£	£
480,000 (1999 - 490,000)	A Ordinary Shares	£1	480,000	490,000
10,000	B Ordinary Shares	£1	10,000	10,000
10,000	C Ordinary Shares	£1	10,000	-
			<u>500,000</u>	<u>500,000</u>

Allotted, issued and fully paid:		Nominal value:	2000	1999
Number:	Class:		£	£
100,000	A Ordinary Shares	£1	100,000	100,000
1,000	B Ordinary Shares	£1	1,000	1,000
1,000	C Ordinary Shares	£1	1,000	-
			<u>102,000</u>	<u>101,000</u>

The following shares were allotted and fully paid for cash at par during the year:

1,000 C Ordinary Shares of £1 each

The B and C Class Ordinary shares carry no voting rights. The company may however declare cumulative participating preferential dividends to the shareholders based on the profits of the division to which they relate.

16. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The payment is made to an independently administered fund. The pension costs charged in the profit and loss account represents contributions payable by the company and amounted to £82,132 (1999 - 170,431).

17. RELATED PARTY DISCLOSURES

The company is controlled on a day to day basis jointly by the directors. The managing director is VJ Ewan. At 31 March 2000 the sum of £140,674 was owed by the company to VJ Ewan. The amount is not repayable within twelve months of the balance sheet date. The loan is interest bearing at the rate of 10% pa.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000	1999
	£	£
Profit for the financial year	234,831	217,218
Issue of B Ordinary Shares	-	1,000
Issue of C Ordinary Shares	<u>1,000</u>	<u>-</u>
Net addition to shareholders' funds	235,831	218,218
Opening shareholders' funds	<u>518,218</u>	<u>300,000</u>
Closing shareholders' funds	<u>754,049</u>	<u>518,218</u>
 Equity interests	 <u>754,049</u>	 <u>518,218</u>