

3709321

HYDROLOGIC SYSTEMS LIMITED

REPORT AND ACCOUNTS

FOR THE YEAR ENDED

31 JANUARY 2002



HYDROLOGIC SYSTEMS LIMITED

DIRECTORS

S P Long
G Robertson

SECRETARY

S P Long

ACCOUNTANTS

Drake & Co
Chartered Accountants
and Registered Auditors
Drake House
80 Guildford Street
Chertsey
Surrey KT16 9AD

BANKERS

Barclays Bank plc
PO Box 23
Northampton
NN1 4YD

REGISTERED OFFICE

Drake House
80 Guildford Street
Chertsey
Surrey KT16 9AD

COMPANY REGISTRATION NUMBER

3709321

DIRECTORS' REPORT AND ACCOUNTS

Page	1 and 2	Report of the Directors
	3	Profit and Loss Account
		Statement of Total Recognised Gains and Losses
	4 and 5	Balance Sheet
	6 and 7	Accounting Policies
	8 to 13	Notes to the Accounts

HYDROLOGIC SYSTEMS LIMITED

REPORT OF THE DIRECTORS

The Directors present their Report and Accounts for the year ended 31 January 2002.

PRINCIPAL ACTIVITY

The principal activity of the Company in the year under review was that of installation and maintenance of irrigation systems.

DIRECTORS

The Directors in office in the year and their beneficial interests in the issued share capital were as follows:

	Number of Ordinary Shares of £1 each	
	<u>At 31.1.02</u>	<u>At 1.2.01</u>
S P Long	50	50
G Robertson	50	50

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Company Law requires the Directors to prepare financial statements for each financial period 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 apply them consistently.
- Make reasonable and prudent judgements and estimates.
- Prepare financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

Further, the Directors are responsible for:

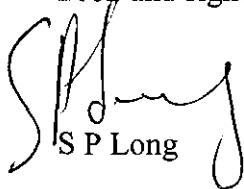
- Keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company.
- Ensuring that the Financial Statements comply with the Companies Act 1985.
- Safeguarding the company's assets.

HYDROLOGIC SYSTEMS LIMITED

REPORT OF THE DIRECTORS (CONTINUED)

SMALL COMPANY EXEMPTIONS

This report, which has been prepared taking advantage of special exemptions of Part VII of the Companies Act 1985 applicable to small companies, was approved by the Board on 2002 and signed on its behalf.


S P Long

Director

26 / 11 / 2002

ACCNR85

HYDROLOGIC SYSTEMS LIMITED**PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 JANUARY 2002**

	<u>Note</u>	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
TURNOVER	1	183,053	170,525
Cost of sales		62,672	63,572
GROSS PROFIT		120,381	106,953
Distribution costs		(6,074)	(6,407)
Administrative expenses		(82,546)	(82,100)
OPERATING PROFIT	2	31,761	18,446
Interest payable and similar charges		147	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		31,614	18,446
TAX ON PROFIT ON ORDINARY ACTIVITIES	3	6,039	2,889
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		25,575	15,557
DIVIDENDS	5	15,300	11,800
RETAINED PROFIT FOR THE YEAR		10,275	3,757
RETAINED PROFIT BROUGHT FORWARD		5,855	2,098
RETAINED PROFIT CARRIED FORWARD		16,130	5,855

There were no acquisitions of or discontinued operations during the current or preceding year.

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES

There are no recognised gains or losses other than the profit for the year.

The notes on pages 6 to 13 form part of these Financial Statements.

HYDROLOGIC SYSTEMS LIMITED

BALANCE SHEET AS AT 31 JANUARY 2002

	Note	<u>2002</u>	<u>2001</u>
		£	£
FIXED ASSETS			
Tangible Assets	6	6,106	6,623
CURRENT ASSETS			
Stocks	7	14,399	15,212
Debtors	8	8,345	834
Cash at bank and in hand		5,314	4,902
		28,058	20,948
CREDITORS: amounts falling due within one year	9	17,482	21,616
NET CURRENT ASSETS/ (LIABILITIES)		10,576	(668)
TOTAL ASSETS LESS CURRENT LIABILITIES			
		16,682	5,955
PROVISION FOR LIABILITIES AND CHARGES			
Deferred taxation	11	452	-
		16,230	5,955
CAPITAL AND RESERVES			
Called up share capital	12	100	100
Profit and Loss Account		16,130	5,855
EQUITY SHAREHOLDERS' FUNDS	13	16,230	5,955

The notes on pages 6 to 13 form part of these Financial Statements.

HYDROLOGIC SYSTEMS LIMITED

BALANCE SHEET AS AT 31 JANUARY 2002 (CONTINUED)

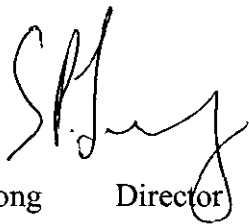
The Directors have taken advantage in the preparation of these financial statements of the special provisions of Part VII of the Companies Act 1985 relating to small companies.

For the period in question the company was entitled to the exemption conferred by subsection (1) of Section 249A.

No notice has been deposited under subsection (2) of section 249B in relation to its Accounts for the financial period.

The Directors acknowledge their responsibility for:

1. Ensuring that the company keeps accounting records which comply with Section 221 of the Companies Act 1985, and
2. 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 or loss for the financial period in accordance with the requirements of Section 226, and which otherwise comply with the requirements of the Act relating to Accounts, so far as applicable to the company.



S P Long Director

Approved by the Board

26 / 11 / 2002

The notes on pages 6 to 13 form part of these Financial Statements.

HYDROLOGIC SYSTEMS LIMITED

ACCOUNTING POLICIES

BASIS OF ACCOUNTING

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

FINANCIAL REPORTING STANDARD NUMBER 1

Exemption has been taken from preparing a cash flow statement on the grounds that the company qualifies as a small company.

TURNOVER

Turnover represents sales and services provided, net of value added tax.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life:

Plant & equipment	25%
Motor vehicle	25%
Computer equipment & software	33.33%

STOCKS

Stocks are valued at the lower of cost and net realisable value, on a first in, first out basis.

WORK IN PROGRESS

Long-term work in progress is valued at cost plus the Directors' best estimate of profits attributable to the work performed to date. For this purpose the Directors' estimate of attributable profits will include a proportion of total profits anticipated to be made on each contract, to the extent that their realisation is reasonably foreseeable and after making provision for all future costs. Each contract is valued individually.

Other work in progress is valued at the cost of direct materials and labour plus attributable overheads based on a normal level of activity.

DEFERRED TAXATION

Deferred taxation is provided for, at the rate of tax applicable when the timing difference is expected to reverse, on income and expenditure dealt with for taxation purposes in periods different from those for accounting purposes. Deferred taxation liabilities are provided in full; deferred taxation assets are provided to the extent that it is likely that they will be recovered.

LEASING

Rentals paid under operating leases are charged to profit and loss account on a straight-line basis over the lease term.

HYDROLOGIC SYSTEMS LIMITED

ACCOUNTING POLICIES (CONTINUED)

WARRANTIES

Provision is only made in respect of warranties granted by the company to the extent that a reasonable estimate of the financial impact can be made. No general provision is made in respect of warranties.

TAXATION

Corporation Tax payable is provided on taxable profits at the current rate.

HYDROLOGIC SYSTEMS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2002

1. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the Company and arose wholly in the United Kingdom.

2.	OPERATING PROFIT	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
	The operating profit is stated after charging:		
	Depreciation of owned tangible fixed assets	1,898	1,840
	Directors' emoluments	32,618	22,938
		<u> </u>	<u> </u>

3. TAX ON PROFIT ON ORDINARY ACTIVITIES

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Analysis of charge in the year:		
Current taxation:		
U.K. Corporation Tax based on the adjusted result for the year	5,755	2,889
Overprovision in respect of previous years	(168)	-
	<u> </u>	<u> </u>
	5,587	2,889
Deferred taxation:		
Arising on origination and reversal of timing differences	40	-
Arising on adjustments to estimated amounts in previous periods	412	-
	<u> </u>	<u> </u>
	452	-
Tax on profit on ordinary activities	<u>6,039</u>	<u>2,889</u>

HYDROLOGIC SYSTEMS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2002 (CONTINUED)

3. TAX ON PROFIT ON ORDINARY ACTIVITIES (CONTINUED)

2002
£

2001
£

Factors affecting tax charge for the year:

The tax assessed for the period is different from the rate of corporation tax in the U.K. The difference is explained below:

Profit on ordinary activities before taxation

31,614

18,446

Taxation at the average small company rate applicable in the U.K. on the profit on ordinary activities (2002:18.5%, 2001: 16.4%)

5,755

3,029

Effects of timing differences:

Excess capital allowances

40

(140)

Underprovisions in respect of previous years

244

-

Current tax charge for the year

6,039

2,889

4. CAPITAL COMMITMENTS

Capital expenditure that has been contracted for but has not been provided for in the Accounts.

Nil

Nil

5. DIVIDENDS

Dividends paid

15,300

11,800

HYDROLOGIC SYSTEMS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2002 (CONTINUED)

6. TANGIBLE FIXED ASSETS

	Plant & Equipment £	Motor Vehicle £	Computer Equipment & Software £	Total £
COST				
At 1 February 2001	2,292	2,000	5,076	9,368
Additions	393	-	1,062	1,455
Disposals	-	-	(104)	(104)
At 31 January 2002	2,685	2,000	6,034	10,719
DEPRECIATION				
At 1 February 2001	644	250	1,851	2,745
Charge for the year	492	438	969	1,899
Disposals	-	-	(31)	(31)
At 31 January 2002	1,136	688	2,789	4,613
NET BOOK AMOUNT				
At 31 January 2002	1,549	1,312	3,245	6,106
At 31 January 2001	1,648	1,750	3,225	6,623

	2002 £	2001 £
7. STOCKS		
Raw materials and consumables	11,899	5,516
Work in progress	2,500	9,696
	14,399	15,212

HYDROLOGIC SYSTEMS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2002 (CONTINUED)

8. DEBTORS	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
Trade debtors	7,947	250
Other debtors	100	-
Prepayments and accrued income	298	584
	8,345	834

9. CREDITORS: amounts falling due within one year

Trade creditors	7,405	8,325
Taxation	2,534	2,317
Social security and other taxes	2,673	3,565
Other creditors	3,120	5,459
Accruals and deferred income	1,750	1,950
	17,482	21,616

10. OPERATING LEASE COMMITMENTS

The company's operating lease commitments for the following financial year are as follows:

	<u>Motor</u>
	<u>Vehicle</u>
	<u>£</u>
For leases expiring within 1 year	1,288

HYDROLOGIC SYSTEMS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2002 (CONTINUED)

11. DEFERRED TAXATION

Deferred taxation provided in the Financial Statements and the amounts not provided are as follows:

	<u>2002</u> <u>Not</u> <u>Provided</u> <u>£</u>	<u>2001</u> <u>Not</u> <u>Provided</u> <u>£</u>	<u>2002</u> <u>Provided</u> <u>£</u>	<u>2001</u> <u>Provided</u> <u>£</u>
Accelerated capital allowances	-	412	452	-

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
Movements in the year are as follows:		
At 1 February 2001	-	-
Increase in accelerated capital allowances	40	-
Underprovisions in previous years	412	-
Net movement in the year	452	-
At 31 January 2002	452	-

12. CALLED UP SHARE CAPITAL

Authorised:

	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
100 Ordinary shares of £1 each	100	100
Allotted, Issued & Fully Paid:		
100 Ordinary shares of £1 each	100	100

HYDROLOGIC SYSTEMS LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 JANUARY 2002 (CONTINUED)

13.	RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS	<u>2002</u> <u>£</u>	<u>2001</u> <u>£</u>
	Profit for the financial year	25,575	15,557
	Dividends	15,300	11,800
	Net addition to shareholders' funds	10,275	3,757
	Opening shareholders' funds	5,955	2,198
	Closing shareholders' funds	16,230	5,955
	Equity Interests	16,230	5,955

14. CONTINGENT LIABILITIES

No contingent liabilities exist.

15. RELATED PARTIES

S P Long and G Robertson, Directors and major shareholders of the company, are the controlling parties.