

Registrar

WATERFIELD ODAM & ASSOCIATES LIMITED

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FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 2000

IAN ROBINSON

Chartered Accountant
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Twickenham
Middlesex
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WATERFIELD ODAM & ASSOCIATES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MAY, 2000

The Directors present their annual report and the audited financial statements of the company for the year ended 31st May, 2000.

INCORPORATION

The Company was incorporated on the 26th May, 1999 and started trading on the 1st June, 1999.

ACTIVITIES

The principal activity of the Company is Consulting Engineers.

RESULTS AND STATE OF AFFAIRS

The results for the year are set out on the Profit and Loss Account on Page 5.

DIVIDEND

No dividends were paid or declared in the year.

FIXED ASSETS

Details of the movement of fixed assets are shown in Note 2.

DIRECTORS AND THEIR INTERESTS

The Directors' interests in the issued ordinary share capital of the Company during the year were as follows:-

	31st May, 2000	26th May, 1999
C. W. Waterfield	54	54
M. G. Gibbins	30	30
J. R. Hepworth	8	8
R. D. Mays (retired 21st September 1999)	8	8
S. J. Odam (retired 31st August 1999)	0	0

TAXATION STATUS

The close company provisions of the Income and Corporation Taxes Act 1988 apply to the Company.

AUDITORS

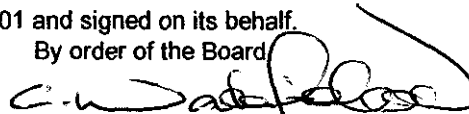
In accordance with Section 385 of the Companies Act 1985, Ian Robinson will be proposed for re-appointment as Auditor.

Small Company Rules

These accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies and in accordance with the Financial Reporting Standard for Smaller Entities (effective March, 2000)

This report was approved by the Board on the 28th February, 2001 and signed on its behalf.

By order of the Board


C. WATERFIELD - DIRECTOR

WATERFIELD ODAM & ASSOCIATES LIMITED

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 as at the end of the financial year and of the profit and loss of the company for that period.

In preparing these financial statements, the Directors are required to:-

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are responsible and prudent;
- state whether applicable accounts standards have been followed;
- 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, for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WATERFIELD ODAM & ASSOCIATES LIMITED

AUDITOR'S REPORT TO THE MEMBERS

We have audited the financial statements on Pages 4 to 9, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities under the historical cost convention and the accounting policies set out on Page 6.

Respective Responsibilities of Directors and Auditors

As described on Page 2, the Company's Directors are 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 our opinion 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 judgments made by the Directors in the preparation of the financial statements and of whether the accounting policies are appropriate to the circumstances of the company, 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 affairs of the Company as at the 31st May, 2000 and of its profit for the year then ended and have been properly prepared in accordance with the provisions of the Companies Act 1985 applicable to small companies.

Twickenham, Middlesex

28th February, 2001

Ian Robinson

IAN ROBINSON

Chartered Accountant and
Registered Auditor

WATERFIELD ODAM & ASSOCIATES LIMITED

BALANCE SHEET AT 31ST MAY, 2000

	<u>Note</u>	
<u>FIXED ASSETS</u>		
Tangible Assets	2	55,153
<u>CURRENT ASSETS</u>		
Work-in-Progress	3	105,289
Debtors and Prepayments	4	73,480
Bank Deposit Account		55,000
		£233,769
<u>DEDUCT CREDITORS</u>		
Amounts falling due within one year	5	£171,289
		62,480
Net Current Assets		117,633
<u>CREDITORS</u>		
Amounts falling due after more than one year	6	108,040
<u>NET ASSETS</u>		£9,593
<u>REPRESENTED BY:-</u>		
<u>CAPITAL AND RESERVES</u>		
Called up Share Capital	7	100
PROFIT AND LOSS ACCOUNT		9,493
SHAREHOLDERS FUNDS		£9,593

The financial statements, which have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 applicable to small companies, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000), were approved by the Board on the 28th February, 2001 and signed on its behalf.

C. WATERFIELD)

J. R. HEPWORTH)

DIRECTORS

The notes on Pages 6 to 9 form part of these financial statements.

WATERFIELD ODAM & ASSOCIATES LIMITED

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31ST MAY, 2000

	<u>Note</u>	<u>2000</u>
<u>TURNOVER</u>	8	559,992
Administration Expenses		-516,359
Depreciation		-23,492
Interest Payable	9	-8,612
Interest Receivable		464
Profit on Ordinary Activities before Taxation	10	11,993
Taxation on profit on Ordinary Activities	11	2,500
Profit on Ordinary Activities after Taxation carried to		£9,493
Dividends	12	0
Retained profit for the Year		<u>£9,493</u>

The notes on Pages 6 to 9 form part of these financial statements.

WATERFIELD ODAM & ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY, 2000

1) ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the Company's accounts:-

a) Basis of Accounting

The accounts are prepared on the historical cost basis of accounting whereby items are recorded at the values at the dates when the assets were acquired or re-valued, the liabilities were incurred, or the capital obtained, and in accordance with the Financial Reporting Standard for Smaller Entities (effective March, 2000).

b) Depreciation of Fixed Assets

Decpreciation has been calculated in order to write off the relevant assets over their estimated useful lives at the following rates:-

Motor Vehicles	-	25% on Reducing Balance
Furniture & Fixtures	-	25% on Reducing Balance

c) Leases

Assets held under finance leases and the related lease obligations are recorded in the Balance Sheet at the fair value of the leased assets at the inception of the leases. The amounts by which the lease payments exceed the recorded lease obligations are treated as finance charges which are amortised over each lease term to give constant rateof charge on the remaining balance of the obligation.

Rental costs under operating leases are charged to profit and loss account in equal annual amounts over the periods of the leases.

d) Value Added Tax

The Company is registered for Value Added Tax and this item is not included in income or expenditure whether of a capital or of a revenue nature.

e) Work-in-Progress

Work-in-Progress is valued at the lower of cost and net realisable value. The cost includes all direct costs and and an appropriate proportion of fixed and variable overheads.

WATERFIELD ODAM & ASSOCIATES LIMITED

2) FIXED ASSETS

	<u>Furniture & Fixtures</u>	<u>Motor Vehicles</u>	<u>Total</u>
<u>Cost</u>			
Balance at 31st May, 1999	102,648	95,453	198,101
Additions in the year	8,930	19,284	28,214
Disposal in the year	0	-44,847	-44,847
Balance at 31st May, 2000	£111,578	£69,890	£181,468
<u>Depreciation</u>			
Balance at 31st May, 1999	69,855	60,882	130,737
Charge for the year	10,431	13,061	23,492
Disposal in the year	0	-27,914	-27,914
Balance at 31st May, 2000	£80,286	£46,029	£126,315
Net Book value at 31st May, 2000	£31,292	£23,861	£55,153

WATERFIELD ODAM & ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY, 2000 (CONTINUED)

3) WORK-IN-PROGRESS

Work-in-Progress is valued at the lower of cost and net realisable value. The cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2000

4) DEBTORS

Trade Debtors	66,706
Prepayments	6,714
Sundry Debtors	60

£73,480

5) CREDITORS - Amounts falling due within one year

Creditors and Accruals	125,936
Bank Overdraft	4,443
PAYE	12,457
Hire Purchase Loans	284
HM Customs & Excise	25,669
Corporation Tax (payable 1st March, 2001)	2,500

£171,289

6) CREDITORS - Amounts falling due after more than one year

Directors' Loan Accounts	£108,040
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7) SHARE CAPITAL

Authorised £1 Shares	£1,000
Issued and Fully Paid - Ordinary Shares of £1	£100

8) TURNOVER

The turnover and profit before taxation is attributable to the principal activities of the Company.

9) INTEREST PAYABLE AND SIMILAR CHARGES

On Bank overdrafts and loans repayable within five years:-

Hire Purchase Interest	1,634
Loan Interest	6,342
Bank Charges	636

8612

WATERFIELD ODAM & ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY, 2000 (CONTINUED)

2000

10) PROFIT FOR THE YEAR

The Profit for the year is stated after charging
or crediting the following:-

Directors' Remuneration	157583
Auditor's Remuneration	2400
Depreciation	23492
Interest Paid (Note 9)	8612
Staff Pension Costs	3869

11) TAXATION

UK Corporation Tax at 19% on
Profits for the Year

£2,500

12) DIVIDENDS PAID

No dividends were paid in the year.

13) STAFF COSTS

The aggregate payroll costs of the Company employees, including the
Directors, were as follows:-

Gross Salaries	226167
National Insurance Costs	21396
Pension Costs	3869

£251,432

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

Professional Staff	7
Administration Staff	3

14) DIRECTORS' EMOLUMENTS

Directors' Emoluments	157583
Pension Scheme Contributions	3494

£161,077