

WATERFIELD ODAM & ASSOCIATES LIMITED

No. 3777458

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 2001

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WATERFIELD ODAM & ASSOCIATES LIMITED

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MAY, 2001

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WATERFIELD ODAM & ASSOCIATES LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31ST MAY, 2001

The Directors present their annual report and the audited financial statements of the company for the year ended 31st May, 2001.

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

Dividends of £10,000 were paid 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, 2001	31st May, 2000
C. W. Waterfield	54	54
M. G. Gibbins	30	30
J. R. Hepworth (retired 30th November 2001)	8	8
R. D. Mays (retired 21st September 2000)	-	8
R. T. McGuire (appointed 1st June 2000)	8	-

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 10th December, 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 10, which have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective March 2000) 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, 2001 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

10th December, 2001



IAN ROBINSON

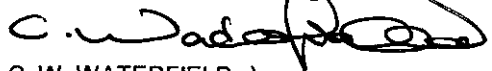
Chartered Accountant and
Registered Auditor

WATERFIELD ODAM & ASSOCIATES LIMITED

BALANCE SHEET AT 31ST MAY, 2001

			<u>2001</u>	<u>2000</u>
	<u>Note</u>			
<u>FIXED ASSETS</u>				
Tangible Assets	2		57,093	55,153
<u>CURRENT ASSETS</u>				
Work-in-Progress	3	33,625		105,289
Debtors and Prepayments	4	45,561		73,480
Bank Deposit Account		130,533		55,000
			<u>£209,719</u>	<u>£233,769</u>
<u>DEDUCT CREDITORS</u>				
Amounts falling due within one year	5	£222,604		£216,395
Net Current (Liabilities)/Assets			<u>-12,885</u>	<u>17,374</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			44,208	72,527
<u>CREDITORS</u>				
Amounts falling due after more than one year	6	29,483		62,934
Provisions for Liabilities and Charges	7	3,000		0
			<u>32,483</u>	<u>62,934</u>
<u>NET ASSETS</u>			<u>£11,725</u>	<u>£9,593</u>
<u>REPRESENTED BY:-</u>				
<u>CAPITAL AND RESERVES</u>				
Called up Share Capital	8		100	100
PROFIT AND LOSS ACCOUNT			<u>11,625</u>	<u>9,493</u>
SHAREHOLDERS FUNDS			<u>£11,725</u>	<u>£9,593</u>

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 10th December, 2001 and signed on its behalf.



C. W. WATERFIELD)
M. G. GIBBINS) 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, 2001

	<u>Note</u>	<u>2001</u>	<u>2000</u>
<u>TURNOVER</u>	9	1,014,687	559,992
Administration Expenses		-978,699	-516,359
Depreciation		-19,031	-23,492
Profit on Ordinary Activities before Interest		16,957	20,141
Interest Payable	10	-5,469	-8,612
Interest Receivable		3,844	464
Profit on Ordinary Activities before Taxation	11	15,332	11,993
Taxation on profit on Ordinary Activities	12	3,200	2,500
Profit on Ordinary Activities after Taxation		£12,132	£9,493
Dividends	13	10,000	0
Retained profit for the Year		£2,132	£9,493
Retained profit brought forward		£9,493	£0
Retained profit carried forward		£11,625	£9,493

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, 2001

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

Depreciation 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
Office Equipment & 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 rate of 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 an appropriate proportion of fixed and variable overheads.

WATERFIELD ODAM & ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY, 2001 (CONTINUED)

f) **Deferred Taxation**

Provision is made for timing differences between the treatment of certain items for taxation and accounting purposes, to the extent that it is probable that a liability or asset will crystallise.

2) **FIXED ASSETS**

	Office Equipment & Fixtures	Motor Vehicles	Total
<u>Cost</u>			
Balance at 31st May, 2000	111,578	69,890	181,468
Additions in the year	20,971	0	20,971
Disposal in the year	0	0	0
Balance at 31st May, 2001	£132,549	£69,890	£202,439
<u>Depreciation</u>			
Balance at 31st May, 2000	80,286	46,029	126,315
Charge for the year	13,065	5,966	19,031
Disposal in the year	0	0	0
Balance at 31st May, 2001	£93,351	£51,995	£145,346
Net Book value at 31st May, 2001	£39,198	£17,895	£57,093
Net Book value at 31st May, 2000	£31,292	£23,861	£55,153

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.

WATERFIELD ODOM & ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY, 2001 (CONTINUED)

	<u>2001</u>	<u>2000</u>
4) <u>DEBTORS - DUE WITHIN ON YEAR</u>		
Trade Debtors	33,327	66,706
Prepayments	12,166	6,714
Sundry Debtors	68	60
	£45,561	£73,480
5) <u>CREDITORS - Amounts falling due within one year</u>		
Creditors and Accruals	117,509	125,936
Bank Overdraft	16,490	4,443
PAYE	21,361	12,457
Hire Purchase Loans	0	284
Directors' Loan Accounts	33,451	45,106
HM Customs & Excise	33,593	25,669
Corporation Tax (payable 1st March, 2002)	200	2,500
	£222,604	£216,395
6) <u>CREDITORS - Amounts falling due after more than one year</u>		
Directors' Loan Accounts	£29,483	£62,934
7) <u>PROVISIONS FOR LIABILITIES AND CHARGES</u>		
Deferred Taxation due to accelerated capital allowances (Note 12)	£3,000	£0
8) <u>SHARE CAPITAL</u>		
Authorised £1 Shares	£1,000	£1,000
Issued and Fully Paid - Ordinary Shares of £1	£100	£100
9) <u>TURNOVER</u>		
The turnover and profit before taxation is attributable to the principal activity of the Company.		
10) <u>INTEREST PAYABLE AND SIMILAR CHARGES</u>		
On Bank overdrafts and loans repayable within five years:-		
Hire Purchase Interest	0	1,634
Loan Interest	4,730	6,342
Bank Charges	739	636
	£5,469	£8,612

WATERFIELD ODAM & ASSOCIATES LIMITED

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31ST MAY, 2001 (CONTINUED)

	<u>2001</u>	<u>2000</u>
11) <u>PROFIT FOR THE YEAR</u>		
<u>The Profit for the year is stated after charging or crediting the following:</u>		
Directors' Remuneration	192592	161077
Auditor's Remuneration	2400	2400
Depreciation	19031	23492
Interest Paid (Note 10)	5469	8612
Pension Costs	3410	3869

During the year retirement benefits were accruing to two directors in respect of money purchase pension schemes.

12) <u>TAXATION</u>		
UK Corporation Tax at 10% (19.5% in 2000) on the profit for the year	£200	£2,500
Increase in Deferred Taxation	£3,000	£0
Charge to Profit and Loss Account	£3,200	£2,500

13) DIVIDENDS PAID

Dividends of £100 per share were paid in the year.

14) STAFF COSTS

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

Gross Salaries	371979	226167
National Insurance Costs	40606	21396
Pension Costs	3410	3869
Redundancy Payment	5667	
	£421,662	£251,432

15) OPERATING LEASES

At the 31st May, 2001 the Company had annual commitments under non cancellable operating leases as follows:

<u>Expiry Date</u>		
Within one year	3325	5700
Between two and five years	0	0
In more than five years	17000	17000

16) PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund (in respect of the year) and amounted to 3410 (2000 - £3869).

WATERFIELD ODAM & ASSOCIATES LIMITED

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MAY, 2001

NET CASH INFLOW FROM OPERATING ACTIVITIES

Operating Profit	11,488	
Depreciation	19031	
Decrease in Creditors	-36989	
Decrease in Debtors	27919	
Decrease in Work-in-Progress	71664	
		93113
Returns on Investments and Servicing Finance		3844
Taxation - Corporation tax paid		-2500
Investing Activities		
- Purchase of Fixed Assets		-20971
<u>Net Cash Flow Before Financing</u>		73486
<u>Financing</u> - Dividends paid		-10000
Increase in Cash at Bank		£63,486

ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS DURING THE YEAR

	<u>2001</u>	<u>2000</u>	<u>Change in Year</u>
Bank Current Accounts	-16697	-4718	-11979
Bank Deposit Account	130533	55000	75533
Cash in Hand	207	275	-68
	£114,043	£50,557	£63,486