REGISTRAR

WATER AT WORK LIMITED

ABBREVIATED FINANCIAL STATEMENTS

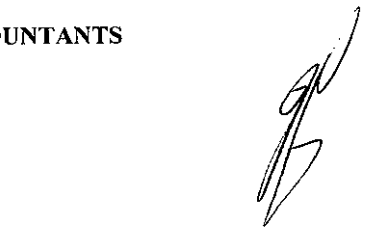
31 JANUARY 1997

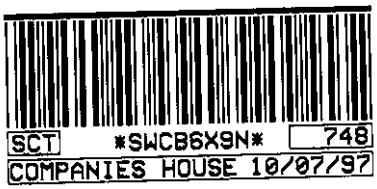
Registered number: 119721

KIDSONS IMPEY

CHARTERED ACCOUNTANTS

Glasgow





WATER AT WORK LIMITED

ABBREVIATED FINANCIAL STATEMENTS

for the year ended 31 January 1997

CONTENTS

	Page
Auditors' report	1
Abbreviated balance sheet	2
Notes on abbreviated financial statements	3

WATER AT WORK LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS

Auditors' report to
Water at Work Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

We have examined the abbreviated financial statements on pages 2 to 5 together with the financial statements of the company prepared under section 226 of the Companies Act 1985 for the year ended 31 January 1997.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the abbreviated financial statements in accordance with Schedule 8 to the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to the exemptions claimed in the directors' statement on page 2 and whether the abbreviated financial statements have been properly prepared in accordance with that Schedule.

Basis of opinion
We have carried out the procedures we considered necessary to confirm, by reference to the audited financial statements, that the company is entitled to the exemptions and that the abbreviated financial statements have been properly prepared from those financial statements. The scope of our work for the purpose of this report does 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 under sections 246 and 247 of the Companies Act 1985 to the exemptions conferred by Section A of Part III of Schedule 8 to that Act, in respect of the year ended 31 January 1997, and the abbreviated financial statements on pages 2 to 5 have been properly prepared in accordance with that Schedule.

Other information
On 1st July 1997 we reported, as auditors of the company, to the
members on the financial statements prepared under section 226 of the Companies Act 1985 for the year ended 31 January 1997, and our audit report was as follows:

> 'We have audited the financial statements on pages 5 to 13 which have been prepared under the accounting policies set out on page 7.
>
> **Respective responsibilities of directors and auditors**
> As described on page 3, the company's directors are responsible for the preparation of 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.

continued .....

WATER AT WORK LIMITED

AUDITORS' REPORT ON ABBREVIATED FINANCIAL STATEMENTS
(continued)

Auditors' report to
Water at Work Limited
pursuant to paragraph 24 of Schedule 8
to the Companies Act 1985

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 the 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 error or other irregularity. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
The company's balance sheet as at 31 January 1997 includes £319,307 in respect of the amount owed to the company by its subsidiary Natural Water Limited. The liabilities of Natural Water Limited, including this debt, exceed its total assets by £285,671.

Except for the above, in our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 January 1997 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'

Kidsons Impey
Registered Auditors
Chartered Accountants

Glasgow
1 July 1997

WATER AT WORK LIMITED

ABBREVIATED BALANCE SHEET

at 31 January 1997

	Note	1997 £	1997 £	1996 £	1996 £
Fixed assets					
Tangible assets	2		95,015		79,733
Investments	2		25,165		25,165
			120,180		104,898
Current assets					
Stocks		440,650		450,773	
Debtors	3	793,289		499,376	
Cash at bank and in hand		54,344		50,219	
		1,288,283		1,000,368	
Creditors: amounts falling due within one year		(726,097)		(559,659)	
Net current assets			562,186		440,709
Total assets less current liabilities			682,366		545,607
Creditors: amounts falling due after more than one year			(74,853)		(111,486)
			607,513		434,121
Capital and reserves					
Called up share capital	4		81,100		81,100
Profit and loss account			526,413		353,021
Total shareholders' funds			607,513		434,121

The directors have taken advantage of the exemptions conferred by Section A of Part III of Schedule 8 to the Companies Act 1985 on the basis that the company qualifies as a small company.

In the preparation of the company's annual financial statements, the directors have taken advantage of special exemptions applicable to small companies under Part I of Schedule 8 to the Companies Act 1985 on the grounds that, in their opinion, the company is entitled to those exemptions.

The abbreviated financial statements on pages 2 to 5 were approved by the board of directors on 30 April 1997.

S. Larson
Director

WATER AT WORK LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 January 1997

1 Accounting policies

Basis of accounting

The financial statements have been prepared under the historical cost accounting rules.

The company has taken advantage of the exemption from preparing a cash flow statement conferred by Financial Reporting Standard No. 1 on the grounds that it is entitled to the exemptions available in Section 246 to 247 of the Companies Act 1985 for small companies.

Depreciation

Depreciation of fixed assets is calculated to write off their cost or valuation less any residual value over their estimated useful lives as follows:

Leasehold land and buildings	12.5% straight line
Plant and machinery	20% reducing balance
Motor vehicles	25% reducing balance
Fixtures and fittings	20% reducing balance

Leases and hire purchase contracts

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at the estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably constant charge on the outstanding liability.

Rentals paid under operating leases are charged to income as incurred.

Stocks

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. Net realisable value is based on estimated selling price less the estimated cost of disposal.

Deferred taxation

Deferred taxation is provided on the liability method in respect of the taxation effect of all timing differences to the extent that tax liabilities are likely to crystallise in the foreseeable future.

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

WATER AT WORK LIMITED

NOTES ON ABBREVIATED FINANCIAL STATEMENTS

31 January 1997

2 **Fixed assets**

	Tangible fixed assets £	Fixed asset investments £	Total £
Cost or valuation			
1 February 1996	126,052	25,165	151,217
Additions	93,769	-	93,769
Disposals	(73,517)	-	(73,517)
31 January 1997	146,304	25,165	171,469
Depreciation			
1 February 1996	46,319	-	46,319
Charge for year	27,789	-	27,789
Disposals	(22,819)	-	(22,819)
31 January 1997	51,289	-	51,289
Net book amount			
31 January 1997	95,015	25,165	120,180
1 February 1996	79,733	25,165	104,898

Fixed asset investments

Name	Class of share	Proportion held	Nature of business
		Capital and reserves £	Profit for the year £

3 **Debtors**

	1997 £	1996 £
Amounts falling due within one year	793,289	499,376

'Other debtors' includes a balance in respect of J. Duffy's director's current account of £57,291 (1996 - £0). This was repaid on 6 February 1997.

4 Called up share capital

	1997		1996	
	Number of shares	£	Number of shares	£
Authorised				
Ordinary shares of £1 each	75,000	75,000	75,000	75,000
Non-equity shares				
Preference shares of £1 each	25,000	25,000	25,000	25,000
		100,000		100,000
Allotted called up and fully paid				
Ordinary shares of £1 each	56,100	56,100	56,100	56,100
Non-equity shares				
Preference shares of £1 each	25,000	25,000	25,000	25,000
		81,100		81,100

5 Ultimate parent undertaking

The ultimate holding company at the balance sheet date was Marlborough Employment Limited, a company incorporated in Scotland. On 6 February 1997 Marlborough Employment Limited was acquired by Sparkling Spring Water UK Limited, a company incorporated in England.