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Aztec Environmental Control Limited

Annual report

for the year ended 31 March 2001

Registered no: 1361365



Aztec Environmental Control Limited

Annual report for the year ended 31 March 2001

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Company Information

Directors

P P Davies
R K Peace

Secretary and registered office

D Chettle
2297 Coventry Road
Birmingham
B26 3PU

Company registration number

1361365

Directors' report for the year ended 31 March 2001

The Directors present their report and the financial statements for the year ended 31 March 2001.

Principal activities

The Company is dormant.

Directors

The Directors of the Company, who served throughout the whole period were :-

R K Peace

P P Davies

Directors' interests in shares of the company

The Directors have no notifiable interests in the share capital of the Company. The interests of the Directors, serving at the period end, in the share capital of Severn Trent Plc, the Company's ultimate parent undertaking, were as follows:

	31 March 2001			1 April 2000		
	Ordinary Shares of 65 5/19 pence each	B shares of 38 pence each	of	Ordinary Shares of 65 5/19 pence each	B shares of 38 pence each	of
P P Davies	118	-		47	-	
R K Peace	1,627	-		316	62	

	Share Options				
	1 April 2000	Exercised	Lapsed	Granted	31 March 2001
P P Davies Sharesave Scheme	2,514	-	-	-	2,514
R K Peace Executive Scheme	700	-	-	-	700

Directors' report for the year ended 31 March 2001 (continued)

Share options were granted in accordance with the Severn Trent Executive Share Option Scheme and the Severn Trent Sharesave Scheme as appropriate. Details of prices and periods within which options are exercisable are set out in the financial statements of Severn Trent Plc.

Messrs Davies and Peace have further interests in Severn Trent Plc Ordinary shares of 65 5/19 pence each by virtue of having received contingent awards of shares under the Severn Trent Plc Long Term Incentive Plan (the "Plan") on 30 July 1998, 30 July 1999 and 10 August 2000. The Plan operates on a three year rolling basis. The Severn Trent Employee Share Ownership Trust is operated in conjunction with the Plan. Awards do not vest until they have been held in trust for three years and specific performance criteria have been satisfied. The performance criteria are based on the Company's Total Shareholder Return compared to the Total Shareholder Return of a number of other privatised utility companies. The individual interests, which represent the maximum aggregate number of shares to which Mr Davies and Mr Peace could become entitled, are as follows:

	At 1 April 2000				At 31 March 2001	
	Number of ordinary shares of 65 5/19p each	Awards vested during year	Awards lapsed during year	Awarded during year	Number of ordinary shares of 65 5/19p each	Gain on vesting (£'000)
P P Davies	4,504	-	-	8,003	12,507	-
R K Peace	10,841	(2,185)	(729)	7,688	15,615	12.8

No further awards have been made under the Plan as at 6 June 2001.

The performance period for allocations of shares made in 1998 ended on 31 March 2001. Severn Trent Plc's Remuneration Committee has subsequently determined, based on that company's Total Shareholder Return over the three year performance period, that participants are not entitled to any shares allocated. The 1998 contingent allocations of shares are included in the table above.

**Directors' report
for the year ended 31 March 2001 (continued)****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 or estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

By Order of the Board



D Chettle
Secretary
6 June 2001

Profit and Loss Account
For the year ended 31 March 2001

The Company has not traded in the previous two years.

The Company has no other recognised gains or losses during the period.

**Balance sheet
at 31 March 2001**

	Notes	2001 £'000	2000 £'000
Creditors: amounts falling due within one year	3	(215)	(215)
Net liabilities		<u>(215)</u>	<u>(215)</u>
Capital and reserves			
Called up share capital	4	340	340
Share premium account		5	5
Profit and loss account		<u>(560)</u>	<u>(560)</u>
Equity shareholders' funds	5	<u>(215)</u>	<u>(215)</u>

The Company was dormant throughout the accounting period.

(a) For the year ended 31 March 2001 the Company was entitled to exemption under section 249AA(1) of the Companies Act 1985.

(b) Members have not required the Company to obtain an audit in accordance with section 249(B)(2) of the Companies Act 1985.

(c) The Directors acknowledge their responsibility for :
ensuring the Company keeps accounting records which comply with section 221; and
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 year, in accordance with the requirements of section 226, and which otherwise comply with the requirements of the Companies Act relating to the accounts, so far as applicable to the Company.

The financial statements on pages 5 to 8 were approved by the Board of Directors on 6 June 2001 and were signed on its behalf by:



R K Peace
Director

Notes to the financial statements for the year ended 31 March 2001

1 Principal accounting policies

The financial statements have been prepared in accordance with applicable Accounting Standards in the United Kingdom. A summary of the more important accounting policies, which have been applied consistently, is set out below.

Basis of accounting

The accounts have been prepared under the historical cost convention.

Cash flow statement

The Company has taken advantage of the exemption in Financial Reporting Standard No 1 (Revised) from the requirement to produce a cash flow statement on the grounds that it is a wholly owned subsidiary of Severn Trent Plc. The parent company has prepared a consolidated cash flow statement including that of the Company as part of its statutory accounts for the period ended 31 March 2001.

Going concern

The Company's parent undertaking has confirmed its intention to provide financial support to the Company to enable it to meet its debts as and when they fall due.

Related party transactions

Advantage has been taken of the exemption under FRS 8 to dispense with the requirement to disclose transactions and balances with fellow subsidiary undertakings, 90% or more of whose voting rights are held within the group, and which are consolidated in the accounts of Severn Trent Plc.

2 Directors' emoluments

The Directors received no emoluments for their services as Directors of the Company (2000: £Nil).

3 Creditors: amounts falling due within one year

	2001	2000
	£'000	£'000
Amounts owed to group undertakings	215	215

Notes to the financial statements for the year ended 31 March 2001 (continued)

4 Share capital

	2001 £	2000 £
Authorised:		
350,000 Ordinary Shares of £1 each	<u>350,000</u>	<u>350,000</u>
Allotted, called up and fully paid:		
340,120 Ordinary Shares of £1 each	<u>340,120</u>	<u>340,120</u>
Share Premium:		
Balance at year end	<u>5,000</u>	<u>5,000</u>

5 Reconciliation of movements in shareholders' funds

	2001 £'000	2000 £'000
Opening and closing shareholders' funds	<u>215</u>	<u>215</u>

6 Ultimate parent company

The Company's immediate and ultimate parent undertaking and controlling party is Severn Trent Plc, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. Copies of the Severn Trent Plc Annual Report may be obtained from The Company Secretary, Severn Trent Plc, 2297 Coventry Road, Birmingham, B26 3PU.