REGISTERED NUMBER: 1357821 (England and Wales)

BAVERSTOCKS

Chartered Accountants

Abbreviated Financial Statements

for the Period 28 March 1999 to 1 April 2000

for

P H D S LIMITED



MANOR PLACE, ALBERT ROAD, BRAINTREE, ESSEX. CM7 3JE

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Company Information
for the Period 28 March 1999 to 1 April 2000

DIRECTORS:	R Heap C C Gregg J R Oates
SECRETARY:	D Taylor
REGISTERED OFFICE:	62a Station Road Upminster Essex RM14 2TD
REGISTERED NUMBER:	1357821 (England and Wales)
AUDITORS:	Baverstocks Chartered Accountants Registered Auditors Manor Place Albert Road Braintree Essex CM7 3JE

Report of the Directors
for the Period 28 March 1999 to 1 April 2000

The directors present their report with the financial statements of the company for the period 28 March 1999 to 1 April 2000.

PRINCIPAL ACTIVITY
The principal activity of the company in the period under review was that of supplying technical services personnel to the engineering, construction and allied industries.

REVIEW OF BUSINESS
The results for the period and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS
No dividends will be distributed for the period ended 1 April 2000.

FIXED ASSETS
Details of the changes in the fixed assets of the company are given in the notes to the accounts.

DIRECTORS
The directors during the period under review were:

R Heap
C Hall
C C Gregg
J R Oates

The beneficial interests of the directors holding office on 1 April 2000 in the issued share capital of the company were as follows:

	1.4.00	28.3.99
Ordinary £1 shares		
R Heap	40,250	40,250
C Hall	33,250	33,250
C C Gregg	-	-
J R Oates	-	-

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 and estimates that are reasonable and prudent;
- 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.

Report of the Directors
for the Period 28 March 1999 to 1 April 2000

AUDITORS

The auditors, Baverstocks, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

R Heap - DIRECTOR

Dated: 31:10:2000

Report of the Auditors to
P H D S LIMITED
Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages five to sixteen, together with the full financial statements of the company for the period ended 1 April 2000 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors
The directors are responsible for preparing the abbreviated financial statements in accordance with Section 246A of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to report our opinion to you.

Basis of opinion
We have carried out the procedures we consider necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated financial statements and that the abbreviated financial statements to be delivered are properly prepared. The scope of our work for the purpose of this report did 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 to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to sixteen are properly prepared in accordance with that provision.

Baverstocks
Chartered Accountants
Registered Auditors
Manor Place
Albert Road
Braintree
Essex CM7 3JE

Dated: 1/12/2000

Abbreviated Profit and Loss Account
for the Period 28 March 1999 to 1 April 2000

	Notes	Period 28.3.99 to 1.4.00 £	Period 30.3.98 to 27.3.99 £
GROSS PROFIT		1,029,836	980,088
Administrative expenses		878,524	797,592
OPERATING PROFIT	3	151,312	182,496
Interest receivable and similar income		4,269	3,812
		155,581	186,308
Interest payable and similar charges	4	59,618	72,451
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		95,963	113,857
Tax on profit on ordinary activities	5	26,413	24,122
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		69,550	89,735
Extraordinary items after taxation	6	(2,970)	(3,094)
PROFIT FOR THE FINANCIAL PERIOD		66,580	86,641
Retained profit/(deficit) brought forward		84,070	(2,571)
RETAINED PROFIT CARRIED FORWARD		£150,650	£84,070

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current or previous periods.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current or previous periods.

The notes form part of these financial statements

Abbreviated Balance Sheet
1 April 2000

	Notes	2000 £	2000 £	1999 £	1999 £
FIXED ASSETS:					
Tangible assets	7		151,856		162,114
CURRENT ASSETS:					
Debtors	8	1,040,571		1,364,194	
Cash at bank and in hand		4,121		92,866	
		1,044,692		1,457,060	
CREDITORS: Amounts falling due within one year	9	835,115		1,308,623	
NET CURRENT ASSETS:			209,577		148,437
TOTAL ASSETS LESS CURRENT LIABILITIES:			361,433		310,551
CREDITORS: Amounts falling due after more than one year	10		69,783		85,481
			£291,650		£225,070
CAPITAL AND RESERVES:					
Called up share capital	14		141,000		141,000
Profit and loss account			150,650		84,070
SHAREHOLDERS' FUNDS:	18		£291,650		£225,070

These abbreviated financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

ON BEHALF OF THE BOARD:

R Heap - DIRECTOR

Approved by the Board on 31:10:2000

The notes form part of these financial statements

Cash Flow Statement
for the Period 28 March 1999 to 1 April 2000

	Notes	Period 28.3.99 to 1.4.00 £	£	Period 30.3.98 to 27.3.99 £	£
Net cash inflow from operating activities	1		13,583		47,982
Returns on investments and servicing of finance	2		(55,349)		(68,639)
Taxation			(24,175)		(19,419)
Capital expenditure	2		(4,907)		(74,556)
			(70,848)		**(114,632)**
Financing	2		(17,897)		50,891
Decrease in cash in the period			**£(88,745)**		**£(63,741)**
Reconciliation of net cash flow to movement in net debt	3				
Decrease in cash in the period		**(88,745)**		**(63,741)**	
Cash outflow/(inflow) from decrease/(increase) in debt and lease financing		14,260		(55,305)	
Change in net debt resulting from cash flows			(74,485)		(119,046)
New finance leases			-		(16,620)
Movement in net debt in the period			**(74,485)**		**(135,666)**
Net (debt)/funds at 28 March			**(6,428)**		**129,238**
Net debt at 1 April			**£(80,913)**		**£(6,428)**

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Period 28 March 1999 to 1 April 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	Period 28.3.99 to 1.4.00 £	Period 30.3.98 to 27.3.99 £
Operating profit	151,312	182,496
Depreciation charges	21,915	27,276
Loss on sale of fixed assets	280	-
Profit on sale of fixed assets	-	(4,900)
Decrease/(Increase) in debtors	313,623	(505,139)
(Decrease)/Increase in creditors	(473,547)	348,249
Net cash inflow from operating activities	13,583	47,982

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	Period 28.3.99 to 1.4.00 £	Period 30.3.98 to 27.3.99 £
Returns on investments and servicing of finance		
Interest received	4,269	3,812
Interest paid	(57,699)	(70,476)
Interest element of hire purchase and finance lease rentals payments	(1,919)	(1,975)
Net cash outflow for returns on investments and servicing of finance	(55,349)	(68,639)
Capital expenditure		
Purchase of tangible fixed assets	(13,138)	(99,531)
Sale of intangible fixed assets	-	13,094
Sale of tangible fixed assets	1,201	24,975
Extraordinary items	7,030	(13,094)
Net cash outflow for capital expenditure	(4,907)	(74,556)

The notes form part of these financial statements

Notes to the Cash Flow Statement for the Period 28 March 1999 to 1 April 2000

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT - continued

	Period 28.3.99 to 1.4.00 £	Period 30.3.98 to 27.3.99 £
Financing		
New bank loan	-	68,000
Loan / hire purchase repaid	(14,698)	(12,256)
Amount withdrawn by directors	(3,199)	(4,853)
Net cash (outflow)/inflow from financing	(17,897)	50,891

3. ANALYSIS OF CHANGES IN NET DEBT

	At 28.3.99 £	Cash flow £	At 1.4.00 £
Net cash:			
Cash at bank and in hand	92,866	(88,745)	4,121
	92,866	(88,745)	4,121
Debt:			
Hire purchase and finance leases	(31,294)	12,471	(18,823)
Debts falling due within one year	(1,780)	(1,000)	(2,780)
Debts falling due after one year	(66,220)	2,789	(63,431)
	(99,294)	14,260	(85,034)
Total	(6,428)	(74,485)	(80,913)
Analysed in Balance Sheet			
Cash at bank and in hand	92,866		4,121
Hire purchase and finance leases			
within one year	(12,471)		(12,471)
after one year	(18,823)		(6,352)
Debts falling due within one year	(1,780)		(2,780)
Debts falling due after one year	(66,220)		(63,431)
	(6,428)		(80,913)

The notes form part of these financial statements

Notes to the Abbreviated Financial Statements for the Period 28 March 1999 to 1 April 2000

1. ACCOUNTING POLICIES

Accounting convention
The financial statements have been prepared under the historical cost convention.

Turnover
Turnover represents invoiced charges net of value added tax as appropriate.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Improvements to property	- 10% on cost
Office equipment	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions
The company operates a defined contribution pension scheme. Contributions payable for the period are charged in the profit and loss account.

2. STAFF COSTS

	Period 28.3.99 to 1.4.00 £	Period 30.3.98 to 27.3.99 £
Wages and salaries	399,430	341,437
Social security costs	40,882	34,091
Other pension costs	58,981	37,067
	499,293	412,595

Notes to the Abbreviated Financial Statements for the Period 28 March 1999 to 1 April 2000

2. STAFF COSTS - continued

The average monthly number of employees during the period was as follows:

	Period 28.3.99 to 1.4.00	Period 30.3.98 to 27.3.99
Directors	4	3
Sales staff	7	7
Administration	10	9
	21	19

3. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	Period 28.3.99 to 1.4.00 £	Period 30.3.98 to 27.3.99 £
Vehicle contract hire	12,906	5,111
Depreciation - owned assets	11,639	16,124
Depreciation - assets on hire purchase contracts and finance leases	10,276	11,152
Loss/(Profit) on disposal of fixed assets	280	(4,900)
Auditors' remuneration	5,000	5,300
Directors' emoluments	156,823	133,223

4. INTEREST PAYABLE AND SIMILAR CHARGES

	Period 28.3.99 to 1.4.00 £	Period 30.3.98 to 27.3.99 £
Bank interest	-	68
Other interest	-	140
Discounting charges	52,483	68,565
Mortgage interest	5,216	1,703
Hire purchase interest	848	904
Finance lease interest	1,071	1,071
	59,618	72,451

Notes to the Abbreviated Financial Statements for the Period 28 March 1999 to 1 April 2000

5. TAXATION

The tax charge on the profit on ordinary activities for the period was as follows:

	Period 28.3.99 to 1.4.00 £	Period 30.3.98 to 27.3.99 £
UK corporation tax	21,384	24,122
Interest on tax paid late	890	-
Adjustment to prior years	4,139	-
	26,413	24,122

UK corporation tax has been charged at 20.01% (1999 - 21%).

6. EXTRAORDINARY ITEMS

	Period 28.3.99 to 1.4.00 £	Period 30.3.98 to 27.3.99 £
Income:		
Provision for loss on PHDS Engineering Limited	-	10,000
Charges:		
Goodwill written off	-	13,094
Provision for loss on PHDS Engineering Limited	2,970	-
	2,970	13,094
Extraordinary charges after taxation	2,970	3,094

The extraordinary charge relates to the write off of a shortfall in the final amount recovered from the liquidator of a subsidiary company to that which had been previously reserved for as recoverable.

Notes to the Abbreviated Financial Statements for the Period 28 March 1999 to 1 April 2000

7. TANGIBLE FIXED ASSETS

	Freehold property	Improvements to property	Office equipment	Motor vehicles	Totals
	£	£	£	£	£
COST:					
At 28 March 1999	87,645	8,691	122,570	65,665	284,571
Additions	-	-	5,593	7,545	13,138
Disposals	-	-	-	(9,220)	(9,220)
At 1 April 2000	87,645	8,691	128,163	63,990	288,489
DEPRECIATION:					
At 28 March 1999	584	5,939	93,108	22,826	122,457
Charge for period	1,753	869	8,764	10,529	21,915
Eliminated on disposals	-	-	-	(7,739)	(7,739)
At 1 April 2000	2,337	6,808	101,872	25,616	136,633
NET BOOK VALUE:					
At 1 April 2000	85,308	1,883	26,291	38,374	151,856
At 27 March 1999	87,061	2,752	29,462	42,839	162,114

Fixed assets, included in the above, which are held under hire purchase contracts and finance leases are as follows:

	Motor vehicles
	£
COST:	
At 28 March 1999 and 1 April 2000	56,445
DEPRECIATION:	
At 28 March 1999	15,340
Charge for period	10,276
At 1 April 2000	25,616
NET BOOK VALUE:	
At 1 April 2000	30,829
At 27 March 1999	41,105

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade debtors	1,028,015	1,304,692
Other debtors & prepayments	12,556	59,502
	1,040,571	1,364,194

Notes to the Abbreviated Financial Statements
for the Period 28 March 1999 to 1 April 2000

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts (see note 11)	2,780	1,780
Hire purchase contracts and finance leases (see note 12)	12,471	12,471
Trade creditors	116,982	112,281
Other creditors & accruals	43,200	52,191
Sales ledger financing advance	309,513	752,296
Directors' current accounts	-	3,199
Social security & other taxes	323,756	350,230
Taxation	26,413	24,175
	835,115	1,308,623

10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Bank loans (see note 11)	63,431	66,658
Hire purchase contracts and finance leases (see note 12)	6,352	18,823
	69,783	85,481

11. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank loans	2,780	1,780
Amounts falling due between one and two years:		
Bank loans	11,622	7,121
Amounts falling due in more than five years:		
Repayable by instalments		
Bank loans	51,809	59,537

The company has a commercial mortgage with Barclays Bank PLC for the purchase of a freehold property. The mortgage of £68,000 commenced 3 December 1998 and is repayable over 240 months. Interest is charged at 2.5% over base.

Notes to the Abbreviated Financial Statements for the Period 28 March 1999 to 1 April 2000

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS AND LEASES

	Hire purchase contracts		Finance leases	
	2000	1999	2000	1999
	£	£	£	£
Gross obligations repayable:				
Within one year	6,388	6,388	8,002	8,002
Between one and five years	2,662	9,050	4,668	12,670
	9,050	15,438	12,670	20,672
Finance charges repayable:				
Within one year	848	848	1,071	1,071
Between one and five years	353	1,201	625	1,696
	1,201	2,049	1,696	2,767
Net obligations repayable:				
Within one year	5,540	5,540	6,931	6,931
Between one and five years	2,309	7,849	4,043	10,974
	7,849	13,389	10,974	17,905

13. SECURED DEBTS

The following secured debts are included within creditors:

	2000	1999
	£	£
Bank loans	66,211	68,438
Sales ledger financing advance	309,513	752,296
	375,724	820,734

The company's bankers, Barclays Bank PLC, hold a debenture on the assets of the company dated 16 Sepember 1991. Barclays Bank PLC also hold a charge on the company's freehold property dated 4 December 1998. Barclays Commercial Sevices Limited hold a fixed and floating charge on the assets of the company dated 17 April 1998.

14. CALLED UP SHARE CAPITAL

Authorised:

Number:	Class:	Nominal value:	2000 £	1999 £
150,000	Ordinary	£1	150,000	150,000

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2000 £	1999 £
141,000	Ordinary	£1	141,000	141,000

Notes to the Abbreviated Financial Statements for the Period 28 March 1999 to 1 April 2000

15. PENSION COMMITMENTS

The company operates defined contribution pension schemes for the directors and senior employees of the company. The assets of the schemes are held seperately from those of the company and they are independently administered funds. The pension cost charges represent contributions payable by the company and amounted to: Directors £54,354 (1999: £32,686) and senior employees £4,627 (1999: £4,381). Two directors are currently accruing retirement pension benefits under these schemes.

16. OTHER FINANCIAL COMMITMENTS

	Land & buildings	Equipment/ contract car hire
Commitments due within the next year are : Expiry		
- within 1 year	-	-
- within 2-5 years	£14,000	£14,273
- over 5 years	-	£700
Commitments due from the balance sheet date:	£42,000	£42,798

17. TRANSACTIONS WITH DIRECTORS

Mr CC Gregg is a director/principal shareholder of CCG Recruitment Limited. During the period PHDS Limited have paid CCG Recruitment Limited £39,778 (1999: £38,653) for consultancy services.

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit for the financial period	66,580	86,641
Net addition to shareholders' funds	66,580	86,641
Opening shareholders' funds	225,070	138,429
Closing shareholders' funds	291,650	225,070
Equity interests	291,650	225,070