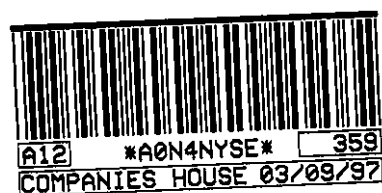


**LANGLEY MECHANICAL SERVICES
LIMITED**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 1996



LANGLEY MECHANICAL SERVICES LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 December 1996

Company registration number: 1536708

Registered office: Langley Bridge Trading Estate
Derby Road
Eastwood
Nottingham
NG16 3RZ

Directors: Mr S A Quigley
Mr A J Whysall
Mrs S Whysall
Mr W E Sweet
Mr M E Whysall
Mrs K B Whysall

Secretary: Mr A J Whysall

Bankers: Barclays Bank PLC
PO Box 18
Old Market Square
Nottingham
NG1 6FF

Solicitors: Robinsons
3 - 5 Munday Street
Heanor
Derbyshire

Auditors: Grant Thornton
Registered auditors
Chartered accountants
30 Hounds Gate
Nottingham
NG1 7DH

LANGLEY MECHANICAL SERVICES LIMITED

ABBREVIATED ACCOUNTS

For the year ended 31 December 1996

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**REPORT OF THE AUDITORS TO THE DIRECTORS OF
LANGLEY MECHANICAL SERVICES LIMITED PURSUANT
TO SECTION 247B OF THE COMPANIES ACT 1985**

We have examined the abbreviated accounts on pages 2 to 5 together with the full financial statements of Langley Mechanical Services Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 1996.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with the provisions of section 246 of the Companies Act 1985. It is our responsibility to form an independent opinion as to whether the company is entitled to deliver abbreviated accounts prepared in accordance with those provisions and whether the abbreviated accounts have been properly prepared in accordance with those provisions.

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 prepare abbreviated accounts and that the abbreviated accounts 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 to deliver abbreviated accounts prepared in accordance with the provisions of section 246 of the Companies Act 1985, and the abbreviated accounts on pages 2 to 5 have been properly prepared in accordance with those provisions.



**GRANT THORNTON
REGISTERED AUDITORS
CHARTERED ACCOUNTANTS**

**NOTTINGHAM
4 August 1997**

LANGLEY MECHANICAL SERVICES LIMITED

PRINCIPAL ACCOUNTING POLICIES

BASIS OF PREPARATION

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention except that certain items of plant and equipment are shown at their revalued amounts.

The principal accounting policies of the company have remained unchanged from the previous period and are set out below.

TURNOVER

Turnover is the total amount receivable by the company for goods supplied and services provided, excluding VAT and trade discounts.

INCOME FROM INVESTMENTS

Investment income comprises dividends declared during the accounting period and interest receivable on listed and unlisted investments.

DEPRECIATION

Depreciation is calculated to write down the cost or valuation less estimated residual value of all tangible fixed assets by equal annual instalments over their expected useful lives. The periods generally applicable are:

Plant and equipment	3 - 7 years
Motor vehicles	4 years
Fixtures and fittings	5 years
Office equipment	5 years

INVESTMENTS

Investments are included at cost.

LEASEHOLD VALUATION

A valuation of the company's interest in the remaining life of its existing lease of premises was undertaken at 31 December 1992 and incorporated into the financial statements. The valuation will be amortised on a straight line basis over the remaining life of the lease.

STOCKS

Stocks are stated at the lower of cost and net realisable value.

DEFERRED TAXATION

Deferred tax is provided using the tax rates estimated to arise when the timing differences reverse and is accounted for to the extent that it is probable that a liability or asset will crystallise. Unprovided deferred tax is disclosed as a contingent liability.

Debit balances arising in respect of advance corporation tax on dividends payable or proposed are carried forward to the extent that they are expected to be recoverable.

LANGLEY MECHANICAL SERVICES LIMITED

PRINCIPAL ACCOUNTING POLICIES

CONTRIBUTIONS TO PENSION FUNDS

Defined contribution scheme

The pension costs charged against profits represent the amount of the contributions payable to the scheme in respect of the accounting period.

LEASED ASSETS

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and depreciated over their expected useful lives. The interest element of leasing payments represents a constant proportion of the capital balance outstanding and is charged to the profit and loss account over the period of the lease.

All other leases are regarded as operating leases and the payments made under them are charged to the profit and loss account on a straight-line basis over the lease term.

LANGLEY MECHANICAL SERVICES LIMITED

ABBREVIATED BALANCE SHEET AT 31 DECEMBER 1996

	Note	1996 £	1996 £	1995 £	1995 £
Fixed assets					
Intangible assets	1		7,025		8,419
Tangible assets	1		639,854		580,972
Investments	1		500		500
			<u>647,379</u>		<u>589,891</u>
Current assets					
Stocks		78,668		58,939	
Debtors		195,400		218,086	
Cash at bank and in hand		18,548		734	
		<u>292,616</u>		<u>277,759</u>	
Creditors: amounts falling due within one year	2	(378,861)		(397,869)	
Net current liabilities			(86,245)		(120,110)
Total assets less current liabilities			<u>561,134</u>		<u>469,781</u>
Creditors: amounts falling due after more than one year	2	(272,383)		(216,340)	
Provisions for liabilities and charges			(44,000)		(33,000)
			<u>244,751</u>		<u>220,441</u>
Capital and reserves					
Called up share capital	3	25,000		25,000	
Revaluation reserve		7,025		9,337	
Profit and loss account		212,726		186,104	
			<u>244,751</u>		<u>220,441</u>

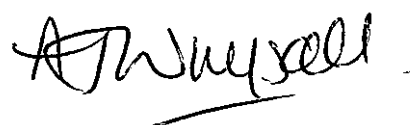
These abbreviated accounts have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to small companies.

The abbreviated accounts were approved by the Board of Directors on 4 August 1997.

S A Quigley



A J Whysall



The accompanying accounting policies and notes form an integral part of these abbreviated accounts.

LANGLEY MECHANICAL SERVICES LIMITED

NOTES TO THE ABBREVIATED ACCOUNTS

For the year ended 31 December 1996

1 FIXED ASSETS

	Intangible assets £	Tangible fixed assets £	Investments £	Total £
Cost				
At 1 January 1996	14,000	1,127,421	500	1,141,921
Additions	-	318,375	-	318,375
Disposals	-	(220,245)	-	(220,245)
At 31 December 1996	14,000	1,225,551	500	1,240,051
Depreciation and amortisation				
At 1 January 1996	5,581	546,449	-	552,030
Charge for the year	1,394	156,031	-	157,425
Eliminated on disposals	-	(116,783)	-	(116,783)
At 31 December 1996	6,975	585,697	-	592,672
Net book amount at 31 December 1996	7,025	639,854	500	647,379
Net book amount at 31 December 1995	8,419	580,972	500	589,891

2 CREDITORS

Certain hire purchase agreements are secured by a fixed charge over related customer leasing agreements and hire income in the event of a default on repayments.

3 SHARE CAPITAL

	1996 £	1995 £
Authorised 25,000 ordinary shares of £1 each	25,000	25,000
Allotted, called up and fully paid 25,000 ordinary shares of £1 each	25,000	25,000