

DAVID FEAR ELECTRICAL CONTRACTORS LIMITED

31 DECEMBER 2000

COMPANY NUMBER: 01793021



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COMPANIES HOUSE

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The Directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2000.

Statement of Directors' responsibilities

Company Law requires the Directors to prepare financial statements for each financial period 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.

Principal activity

The company's principal activity continues to be that of electrical contracting.

Business review

The company's balance sheet, as detailed on page three, shows a satisfactory position, shareholders' funds amounting to £218,868

Results and dividends

The results for the period are shown in the profit and loss account on page four.

The Directors are satisfied with the results for the year and anticipate improved results for the year ended 31 December 2001.

Directors

The Directors who served during the year and their interests in the share capital of the company, as recorded in the Register of Director's Interests, were as follows:-

	Ordinary Shares of £1.00 each	
	At	At
	31 Dec 2000	31 Dec 1999
D A Fear	60	60
D Tainton	15	15
J Clutton-Brock	15	15

Auditors

HLB Kidsons continue as auditors to the company.

This report was approved by the Board on 29th October 2001 and signed on its behalf.



D FEAR - Director

3a Back Stoke Lane
Westbury-on-Trym
Bristol BS9 3QT

AUDITORS' REPORT TO DAVID FEAR ELECTRICAL CONTRACTORS LIMITED
pursuant to section 247B of the Companies Act 1985

We have examined the abbreviated accounts on pages 1a and 1b and 3 to 13 together with the financial statements of David Fear Electrical Contractors Limited prepared under section 246A of the Companies Act 1985 for the year ended 31 December 2000.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated accounts in accordance with section 246a of the Companies Act 1985. It is our responsibility to form an independent opinion as to the company's entitlement to deliver abbreviated accounts prepared in accordance with sections 246A(3) of the Act to the Registrar of Companies 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 deliver abbreviated accounts and that abbreviated accounts have been properly prepared. 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 sections 246A(3) of the Companies Act 1985, and the abbreviated accounts on pages 1a and 1b and 3 to 13 have been properly prepared in accordance with those provisions.



HLB Kidsons
Registered Auditors
Chartered Accountants
Bristol

29th October 2001

	NOTE	2000 £	1999 £
FIXED ASSETS			
Tangible assets	2	115,520	111,918
CURRENT ASSETS			
Stocks	3	84,992	70,518
Debtors	4	1,070,178	1,177,054
Cash at bank and in hand		101,826	206,026
		1,256,996	1,453,598
CREDITORS			
Amounts falling due within one year	5	(1,152,618)	(1,321,119)
NET CURRENT ASSETS		104,378	132,479
TOTAL ASSETS LESS CURRENT LIABILITIES		219,898	244,397
CREDITORS			
Amounts falling due after more than a year	6	(1,030)	(924)
NET ASSETS		218,868	243,473
CAPITAL AND RESERVES			
Called up share capital	8	150	150
Share premium account	9	149,955	149,955
Profit and loss account	10	68,763	93,368
Shareholders funds	11	218,868	243,473

The notes on pages 6 to 13 form part of these financial statements.

The financial statements have been prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium sized companies and were approved by the Board of Directors on 29th October 2001 and signed on its behalf by:-


D Fear - Director

	NOTE	2000 £	1999 £
GROSS PROFIT		896,052	878,015
Administrative expenses	562,146		791,862
Other operating charges	196,334		159,283
		758,480	951,145
OPERATING PROFIT/(LOSS)	13	137,572	(73,130)
Fall in value of investments	14	(46,578)	(8,515)
Other income		5,770	7,479
Interest payable	15	(7,865)	(1,528)
		(48,673)	(2,564)
Profit/(loss) on ordinary activities before taxation		88,899	(75,694)
Taxation on profit/(loss) on ordinary activities	16	(28,527)	6,577
Profit/(loss) on ordinary activities after taxation		60,372	(69,117)
Dividends paid		(84,977)	-
Total losses recognised since last annual report	10	(24,605)	(69,117)

The whole of the company's trading derives from one activity which is a continuing activity.

There were no recognised gains or losses in either period other than those shown above.

The notes on pages 6 to 13 form part of these financial statements.

NOTE 1

ACCOUNTING POLICIES

a. Basis of preparation of financial statements

These accounts have been prepared under the historical cost convention and include the results of the company's operations which are described in the Directors' Report and all of which are continuing.

b. Turnover

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

c. Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation.

Depreciation is provided on tangible assets at rates calculated to write off the cost of each asset, less any residual value, over its expected useful life on the following bases:-

Fixtures, fittings, tools & equipment	15% or 25% per annum on reducing balance
Motor vehicles	25% per annum on reducing balance

d. 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.

e. Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is computed on a first in first out basis. The cost of work in progress includes all costs of materials and the attributable proportion of overheads based on the normal level of activity. Net realisable value is based on estimated selling price less the estimated cost of disposal.

f. 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.

NOTE 1 (CONTINUED)

ACCOUNTING POLICIES

g. Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the Scheme.

h. Management of liquid resources

Liquid resources are disclosed in the cash flow statement. They are current asset investments that are held for the short term and are readily convertible into cash.

NOTE 2

TANGIBLE FIXED ASSETS

	Fixtures, fittings, tools & equipment	Motor vehicles	Total
	£	£	£
COST			
At 1 January 2000	57,502	161,443	218,945
Additions	4,411	65,015	69,426
Disposals	(1,146)	(87,250)	(88,396)
At 31 December 2000	60,767	139,208	199,975
	=====	=====	=====
ACCUMULATED DEPRECIATION			
At 1 January 2000	33,283	73,744	107,027
Disposals	(531)	(53,341)	(53,872)
Charge for year	5,755	25,545	31,300
At 31 December 2000	38,507	45,948	84,455
	=====	=====	=====
NET BOOK AMOUNT			
At 31 December 2000	22,260	93,260	115,520
	=====	=====	=====
At 31 December 1999	24,219	87,699	111,918
	=====	=====	=====

The net book value of motor vehicles includes assets held under finance lease or hire purchase contracts amounting to £24,993 (1999 - £25,402).

NOTE 3

STOCKS

	2000 £	1999 £
Materials and consumables	5,000	5,000
Work in progress	79,992	65,518
	<u>84,992</u>	<u>70,518</u>
	=====	=====

NOTE 4

DEBTORS

Amounts falling due within one year

	2000 £	1999 £
Trade debtors	990,280	1,135,953
Prepayments	71,538	27,634
Other debtors	8,360	13,467
	<u>1,070,178</u>	<u>1,177,054</u>
	=====	=====

NOTE 5

CREDITORS

Amounts falling due within one year

	2000 £	1999 £
Bank overdrafts	44,232	114,937
Payments received on account	162,916	182,065
Trade creditors	744,183	784,198
Corporation tax	25,000	-
Other taxes and social security costs	82,306	132,921
Accruals and deferred income	57,747	96,705
Lease purchase creditors	4,014	9,780
Other creditors	30,000	-
Directors' current accounts	2,220	513
	<u>1,152,618</u>	<u>1,321,119</u>
	=====	=====

NOTE 5 (CONTINUED)

CREDITORS

The bank overdraft is secured by a fixed and floating charge over the company's assets and by a personal guarantee from D Fear Esq.

Lease purchase creditors are secured on the assets to which the individual agreements relate as more fully disclosed in Note 2 to the accounts.

NOTE 6

CREDITORS

Amounts falling due after more than one year

	2000 £	1999 £
Lease purchase creditors	1,030	924
	=====	=====

Lease purchase creditors are secured on the assets to which the individual agreements relate as more fully disclosed in Note 2 to the accounts.

NOTE 7

OBLIGATIONS UNDER FINANCE LEASES AND HIRE PURCHASE CONTRACTS

Finance leases and hire purchase contracts mature as follows:-

	2000 £	1999 £
Amounts payable:-		
Within one year	4,014	9,780
Within two to five years	1,030	924
	-----	-----
	5,044	10,704
	=====	=====

Two agreements are interest free. The third agreement bears interest at the rate of 7% per annum.

NOTE 8

CALLED UP SHARE CAPITAL

	2000 £	1999 £
Ordinary Shares of £1 each		
Authorised	10,000 =====	10,000 =====
Allotted, called up and fully paid	150 =====	150 =====

NOTE 9

SHARE PREMIUM ACCOUNT

	2000 £
At 1 January 2000 and 31 December 2000	149,955 =====

NOTE 10

PROFIT AND LOSS ACCOUNT

	2000 £	£
At 1 January 2000		93,368
Profit for the year	60,372	
Dividends paid	(84,977) -----	
Total loss recognised for year		(24,605) -----
At 31 December 2000		68,763 =====

NOTE 11

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2000 £	1999 £
Profit/(loss) for the year	60,372	(69,117)
Dividends paid	(84,977)	-
Net deduction from shareholders' funds	(24,605)	(69,117)
Opening shareholders' funds	243,473	312,590
Closing shareholders' funds	218,868	243,473
	=====	=====

NOTE 12

ANALYSIS OF RESULTS

Turnover represents the amount derived from the provision of goods and services which fall within the company's ordinary activities, stated net of value added tax.

In the opinion of the Directors, none of the turnover of the company is attributable to geographical markets outside the UK (1999 - nil).

NOTE 13

OPERATING PROFIT/(LOSS)

	2000 £	1999 £
The operating loss is stated after charging:-		
Directors' emoluments	192,145	206,039
Directors' pension costs	62,814	280,243
Directors remuneration:-		
Highest paid director		
Emoluments	101,574	140,183
Pension contributions	37,688	167,622
	=====	=====

NOTE 13 (CONTINUED)

OPERATING PROFIT/(LOSS)

	2000 £	1999 £
The operating loss is stated after charging:-		
Depreciation of tangible fixed assets (note 2)		
Owned by the company	26,928	26,089
Held under finance leases	4,372	7,486
Auditors remuneration	4,700	6,903
Operating leases:-		
Hire of plant and machinery	37,465	44,058
Property rental	17,650	17,842
Loss on sale of assets	3,712	4,993
	=====	=====

During the current and preceding year retirement benefits were accruing to D Fear in respect of money purchase pension schemes.

The company operates defined contribution schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £62,814 (1999 - £280,243)

Staff costs

Staff costs, including directors' remuneration, were as follows:-

	2000 £	1999 £
Wages and salaries	1,438,044	1,862,739
Social Security costs	94,508	121,358
Other pension costs	62,814	280,243
	-----	-----
	1,595,366	2,264,340
	=====	=====

NOTE 13 (CONTINUED)

OPERATING PROFIT/(LOSS)

The average monthly number of employees, including directors, during the period was as follows:-

	2000 £	1999 £
Office and administration	14	13
Direct labour	35	47
	-----	-----
	49	60
	=====	=====

NOTE 14

FALL IN VALUE OF INVESTMENTS

The exceptional fall in value of investments in 2000 represents the investment made in Firststake plc during the year. The company was placed in administrative receivership in February 2001, the shares being deemed to have no value at that date.

NOTE 15

INTEREST PAYABLE

	2000 £	1999 £
On bank loans and overdrafts	5,274	963
Finance leases and hire purchase contracts	449	-
Other interest	2,142	565
	-----	-----
	7,865	1,528
	=====	=====

NOTE 16

TAXATION

	2000 £	1999 £
UK Corporation tax at 20% (1999 - 21%) on profit on ordinary activities	25,000	(11,652)
Under provision in earlier years	3,527	5,075
	-----	-----
	28,527	(6,577)
	=====	=====

NOTE 17

COMMITMENTS

At 31 December 2000 the company had an annual commitment of £17,650 in respect of rent for the company's trading premises. The lease expires in 2011. The rent is reviewable every three years. The last review was as at 30 November 1998.

NOTE 18

RELATED PARTY TRANSACTIONS

The ultimate controlling party is D Fear Esq by virtue of his directorship and shareholding and his beneficial interest in the David Fear Electrical Contractors Limited Retirement Benefits Scheme which owns 30% of the issued share capital of the company.

The company operates from premises owned by the David Fear Electrical Contractors Limited Retirement Benefits Scheme as disclosed in note 17 above.