

DAVID FEAR ELECTRICAL CONTRACTORS LIMITED

31 DECEMBER 2002

COMPANY NUMBER: 01793021



The Directors present their annual report together with the audited financial statements of the company for the year ended 31 December 2002.

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 £203,369.

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 2003.

During the year a dividend of £6,239 (2001 - £85,434) was paid. In addition, the company made charitable donations of £3,362 (2001 - 2,317).

Directors

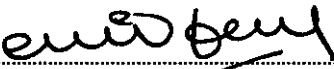
The Directors who served during the year and their interests in the share capital of the company, as recorded in the Register of Director's Interests, were as follows:-

	Ordinary Shares of £1.00 each	
	At 31 Dec 2002	At 31 Dec 2001
D A Fear	60	60
C Fear	-	-
D Tainton	15	15
J Clutton-Brock	15	15

Auditors

Geoff Gollop & Co Ltd was appointed auditor to the company following the resignation of Baker Tilly.

This report was approved by the Board on 6th October 2003 and signed on its behalf.


.....
D FEAR - Director

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

DAVID FEAR ELECTRICAL CONTRACTORS LIMITED

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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 3 to 14 together with the financial statements of David Fear Electrical Contractors Limited prepared under section 226 of the Companies Act 1985 for the year ended 31 December 2002.

This report is made solely to the company's shareholders, as a body, in accordance with Section 247B of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's shareholders those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

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 3 to 14 have been properly prepared in accordance with those provisions.



Geoff Gollop & Co Ltd
Registered Auditor
Chartered Accountants
St Brandon's House
29 Great George Street
Bristol BS1 5QT

6th October 2003

DAVID FEAR ELECTRICAL CONTRACTORS LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2002

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	NOTE	2002 £	2001 £
FIXED ASSETS			
Tangible assets	2	43,543	96,505
Investments	3	1	1
		-----	-----
		43,544	96,506
		-----	-----
CURRENT ASSETS			
Stocks	4	29,589	33,367
Debtors	5	1,312,887	1,283,696
Investments	6	50,000	50,000
Cash at bank and in hand		512,267	326,553
		-----	-----
		1,904,743	1,693,616
CREDITORS			
Amounts falling due within one year	7	(1,744,918)	(1,586,350)
		-----	-----
NET CURRENT ASSETS		159,825	107,266
		-----	-----
TOTAL ASSETS LESS CURRENT LIABILITIES		203,369	203,772
		=====	=====
CAPITAL AND RESERVES			
Called up share capital	8	150	150
Share premium account	9	149,955	149,955
Profit and loss account	10	53,264	53,667
		-----	-----
Shareholders funds	11	203,369	203,772
		=====	=====

The notes on pages 6 to 14 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 6th October 2003 and signed on its behalf by:-


.....
D Fear – Director

DAVID FEAR ELECTRICAL CONTRACTORS LIMITED
 PROFIT AND LOSS ACCOUNT
 FOR THE YEAR ENDED 31 DECEMBER 2002

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		2002	2001
	NOTE	£	£
GROSS PROFIT		804,574	929,080
Administrative expenses	610,194		646,911
Other operating charges	178,027		193,974
		788,221	840,885
OPERATING PROFIT	13	16,353	88,195
Other income	6,476		5,099
Interest payable	14 (9,567)		(2,319)
		(3,091)	2,780
Profit on ordinary activities before taxation		13,262	90,975
Taxation on profit on ordinary activities	15	(7,426)	(20,637)
Profit on ordinary activities after taxation		5,836	70,338
Dividends paid		(6,239)	(85,434)
Total losses recognised since last annual report	10	(403)	(15,096)

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 14 form part of these financial statements.

Reconciliation of operating profit to net cash inflow from activities

	NOTE	2002 £	2001 £
Operating profit		16,353	88,195
Depreciation charges		29,953	34,250
Decrease in stocks		3,778	51,625
Increase in debtors		(26,544)	(221,779)
Increase in creditors		305,438	353,047
Net cash inflow from operating activities		328,978	305,338
Return on investments and servicing of finance (see below)		(3,091)	2,780
Taxation		(24,362)	(16,026)
Dividends paid		(6,239)	(85,434)
Capital expenditure (see below)		23,009	(15,235)
		318,295	191,423
Financing – Capital element of lease purchase		–	(5,044)
	16	318,295	186,379

NOTES TO THE CASH FLOW STATEMENT

Note 1 – GROSS CASH FLOWS

Return on investments and servicing of finance

Interest received	6,476	5,099
Interest paid	(9,567)	(2,319)
	(3,091)	2,780

Capital expenditure

Payments to acquire tangible fixed assets	(4,578)	(38,035)
Receipts from sales of tangible fixed assets	27,587	22,800
	23,009	(15,235)

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

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.

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.

NOTE 1 (CONTINUED)

ACCOUNTING POLICIES

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 2002	62,866	122,643	185,509
Additions	4,578	-	4,578
Disposals	(34)	(80,038)	(80,072)
	-----	-----	-----
At 31 December 2002	67,410	42,605	110,015
	=====	=====	=====
ACCUMULATED DEPRECIATION			
At 1 January 2002	42,810	46,194	89,004
Disposals	(34)	(39,164)	(39,198)
Charge for year	4,814	11,852	16,666
	-----	-----	-----
At 31 December 2002	47,590	18,882	66,472
	=====	=====	=====
NET BOOK AMOUNT			
At 31 December 2002	19,820	23,723	43,543
	=====	=====	=====
At 31 December 2001	20,056	76,449	96,505
	=====	=====	=====

NOTE 3

INVESTMENTS

	2002 £	2001 £
Shares in group companies	1	1
	=====	=====

The company owns 100% of the issued share capital of David Fear Electrical Limited.

The aggregate amount of share capital and reserves of David Fear Electrical Limited as at 31st December 2002 was -£234 (2001 - -£99), and the loss for the year ended on that date was £135 (2001 - loss £100).

NOTE 4

STOCKS

	2002 £	2001 £
Materials and consumables	5,000	5,000
Work in progress	24,589	28,367
	-----	-----
	29,589	33,367
	=====	=====

NOTE 5

DEBTORS

Amounts falling due within one year

	2002 £	2001 £
Trade debtors	1,264,801	1,213,132
Prepayments	39,842	34,278
Amount owed by subsidiary company	-	99
Other debtors	8,244	36,187
	-----	-----
	1,312,887	1,283,696
	=====	=====

NOTE 5 (CONTINUED)

DEBTORS

	2002 £	2001 £
Other debtors includes:		
Loan to D Tainton.	4,957	10,588
	=====	=====

NOTE 6

INVESTMENTS

	2002 £	2001 £
Listed investments	50,000	50,000
	=====	=====

The investments are stated at cost. Although the investments have a unit value in excess of £50,000 the surrender is less than £50,000. In the opinion of the Directors the value is fairly reflected at a midway value which approximately equates to cost.

NOTE 7

CREDITORS

Amounts falling due within one year

	2002 £	2001 £
Bank overdrafts	-	132,581
Payments received on account	369,528	153,889
Amount owed to subsidiary company	20,598	-
Trade creditors	1,152,753	892,675
Corporation tax	7,061	21,350
Other taxes and social security costs	113,096	159,033
Accruals and deferred income	61,465	173,070
Other creditors	20,000	30,000
Directors' current accounts	417	23,752
	-----	-----
	1,744,918	1,586,350
	=====	=====

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.

NOTE 8

CALLED UP SHARE CAPITAL

	2002 £	2001 £
Ordinary Shares of £1 each		
Authorised	10,000 =====	10,000 =====
Allotted, called up and fully paid	150 =====	150 =====

NOTE 9

SHARE PREMIUM ACCOUNT

	2002 £
At 1 January 2002 and 31 December 2002	149,955 =====

NOTE 10

PROFIT AND LOSS ACCOUNT

	2002 £	£
At 1 January 2002		53,667
Profit for the year	5,836	
Dividends paid	(6,239) -----	
Total loss recognised for year		(403) -----
At 31 December 2002		53,264 =====

NOTE 11

RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
Profit for the year	5,836	70,338
Dividends paid	(6,239)	(85,434)
Net deduction from shareholders' funds	(403)	(15,096)
Opening shareholders' funds	203,772	218,868
Closing shareholders' funds	203,369	203,772

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 (2001 – nil).

NOTE 13

OPERATING PROFIT

	2002 £	2001 £
The operating profit is stated after charging:-		
Directors' emoluments	246,389	305,639
Directors' pension costs	-	1,260
Directors remuneration:-		
Highest paid director		
Emoluments	127,357	109,912
Pension contributions	-	1,260

NOTE 13 (CONTINUED)

OPERATING PROFIT

	2002 £	2001 £
The operating profit is stated after charging:-		
Depreciation of tangible fixed assets (note 2)		
Owned by the company	13,287	29,816
Auditors remuneration	6,160	7,209
Operating leases:-		
Hire of plant and machinery	45,222	44,301
Property rental	21,000	18,208
Loss on sale of assets	16,666	4,434
	=====	=====

During the current and preceding year retirement benefits were accruing to D Fear and C 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 nil (2001 - £1,260)

Staff costs

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

	2002 £	2001 £
Wages and salaries	1,744,600	1,735,540
Social Security costs	97,904	110,159
Other pension costs	-	1,260
	-----	-----
	1,842,504	1,846,959
	=====	=====

NOTE 13 (CONTINUED)

OPERATING PROFIT

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

	2002 £	2001 £
Office and administration	15	14
Direct labour	26	35
	-----	-----
	41	49
	=====	=====

Included in the above figures are 11 direct labour and 2 office employees who were employed by David Fear Electrical Limited and whose salaries were recharged to the company at cost.

NOTE 14

INTEREST PAYABLE

	2002 £	2001 £
On bank loans and overdrafts	7,603	1,655
Finance leases and hire purchase contracts	296	195
Other interest	1,668	469
	-----	-----
	9,567	2,319
	=====	=====

NOTE 15

TAXATION

	2002 £	2001 £
UK Corporation tax at 19% (2001 - 20%) on profit on ordinary activities	7,061	21,350
(Over)/under provision in earlier years	365	(713)
	-----	-----
	7,426	20,637
	=====	=====

NOTE 16

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS

	2002 £	2001 £
Increase in cash in the period	318,295	186,379
Net cash outflow in respect of lease purchase creditor	-	5,044
	-----	-----
Movement in net funds in year	318,295	191,423
Net funds at 1 January 2002	243,973	52,550
	-----	-----
Net funds at 31 December 2002	562,268	243,973
	=====	=====

NOTE 17

NOTES TO THE CASH FLOW STATEMENT
 ANALYSIS OF CHANGES IN NET DEBT

	2001	flows	2002
Cash in hand and at bank	326,553	185,714	512,267
Overdrafts	(132,581)	132,581	-
Current asset investments	50,001	-	50,001
	-----	-----	-----
	243,973	318,295	562,268
	=====	=====	=====

NOTE 18

COMMITMENTS

At 31 December 2002 the company had an annual commitment of £21,100 in respect of rent for company's trading premises. The lease expires in 2011. The rent is reviewable every three years. The last review was as at 30 November 2001.

NOTE 19

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 18 above.

Included in direct costs is £330,586 (2001 - nil) in respect of labour, subcontract and expenses provided by David Fear Electrical Limited.