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COMPANY REGISTRATION NUMBER 01793021

David Fear Electrical Contractors Limited

Abbreviated Accounts

31 December 2003



GEOFF GOLLOP & CO LIMITED
Chartered Accountants & Registered Auditors
St Brandon's House
29 Great George Street
Bristol
BS1 5QT

David Fear Electrical Contractors Limited

Abbreviated Accounts

year ended 31 December 2003

Contents	Page
The Directors' Report	1
Independent Auditors' Report to the Company	3
Abbreviated Profit and Loss Account	4
Abbreviated Balance Sheet	5
Cash Flow Statement	6
Notes to the Abbreviated Accounts	7

David Fear Electrical Contractors Limited

The Directors' Report

year ended 31 December 2003

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31 December 2003.

Principal Activities and Review of the Business
The principal activity of the company during the year was electrical contracting.

The company has seen marginally reduced turnover in a highly competitive market place but has managed to improve its profitability.

During the year the company purchased 45 (30%) of its own ordinary £1 shares from the pension scheme, David Fear Electrical Contractors Limited Retirement Benefits Scheme, for a purchase price of £150,000. The pension fund relinquished its shareholding in the company to have sufficient funds to ultimately provide for retirement and the company was the only available purchaser.

Results and Dividends
The trading results for the year and the company's financial position at the end of the year are shown in the attached financial statements.

The directors have recommended the following dividends:

	2003	2002
	£	£
Dividends paid on ordinary shares	**5,739**	6,239

The Directors and their Interests in the Shares of the Company
The directors who served the company during the year together with their beneficial interests in the shares of the company were as follows:

	Ordinary Shares of £1 each	
	At 31 December 2003	At 1 January 2003
D A Fear	**60**	60
C Fear	**–**	–
D Tainton	**15**	15
J Clutton-Brock	**15**	15

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 at the end of the year and of the profit or loss for the year then ended.

In preparing those financial statements, the directors are required to select suitable accounting policies, as described on pages 7 to 8, and then apply them on a consistent basis, making judgements and estimates that are prudent and reasonable. The directors must also prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

David Fear Electrical Contractors Limited

The Directors' Report *(continued)*

year ended 31 December 2003

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. The directors 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.

Donations
During the year the company made the following contributions:

	2003	2002
	£	£
Charitable	3,257	3,362

Auditors
The auditors, Geoff Gollop & Co Limited, are deemed to be reappointed in accordance with section 386 of the Companies Act 1985 by virtue of an elective resolution passed by the members.

Registered office:
Rupert House
Back Stoke Lane
Westbury-on-Trym
Bristol
BS9 3QT

Signed by order of the directors

Director - J Clutton-Brock

Approved by the directors on 27 October 2004

David Fear Electrical Contractors Limited

Independent Auditors' Report to the Company

PURSUANT TO SECTION 247B OF THE COMPANIES ACT 1985

We have examined the abbreviated accounts on pages 4 to 15, together with the financial statements of the company for the year ended 31 December 2003 prepared under Section 226 of the Companies Act 1985.

This report is made solely to the company, 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 the Directors and the 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 whether the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the accounts to be delivered are properly prepared in accordance with those provisions and 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 accounts and that the abbreviated accounts 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 financial statements.

Opinion
In our opinion the company is entitled to deliver abbreviated accounts prepared in accordance with Section 246A(3) of the Act, and the abbreviated accounts on pages 4 to 15 are properly prepared in accordance with those provisions.

GEOFF GOLLOP & CO LIMITED
Chartered Accountants
& Registered Auditors

St Brandon's House
29 Great George Street
Bristol
BS1 5QT

27 October 2004

David Fear Electrical Contractors Limited

Abbreviated Profit and Loss Account

year ended 31 December 2003

	Note	2003 £	2002 £
Gross Profit		**825,332**	804,574
Administrative expenses		**741,662**	788,217
Operating Profit	2	**83,670**	16,357
Profit on disposal of discontinued operations		**200,000**	–
		283,670	16,357
Interest receivable		**10,462**	6,476
Interest payable and similar charges	5	**(2,803)**	(9,571)
Profit on Ordinary Activities Before Taxation		**291,329**	13,262
Tax on profit on ordinary activities	6	**19,326**	7,426
Profit on Ordinary Activities after Taxation		**272,003**	5,836
Dividends	7	**5,739**	6,239
Retained Profit/(Loss) for the Financial Year		**266,264**	(403)

All of the activities of the company are classed as continuing.

The company has no recognised gains or losses other than the results for the year as set out above.

The notes on pages 7 to 15 form part of these abbreviated accounts

David Fear Electrical Contractors Limited

Abbreviated Balance Sheet

31 December 2003

	Note	2003 £	£	2002 £
Fixed Assets				
Tangible assets	8		**35,235**	43,543
Investments	9		**1**	1
			35,236	43,544
Current Assets				
Stocks	10	**18,106**		29,589
Debtors	11	**808,284**		1,312,887
Investments	12	**50,000**		50,000
Cash at bank and in hand		**169,536**		512,267
		1,045,926		1,904,743
Creditors: amounts falling due within one year	13	**761,529**		1,744,918
Net Current Assets			**284,397**	159,825
Total Assets Less Current Liabilities			**319,633**	203,369
Capital and Reserves				
Called-up equity share capital	15		**105**	150
Share premium account			**149,955**	149,955
Other reserves	16		**45**	–
Profit and loss account	17		**169,528**	53,264
Shareholders' Funds	18		**319,633**	203,369

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

These abbreviated accounts were approved by the directors on the 27 October 2004 and are signed on their behalf by:

J Clutton-Brock

David Fear Electrical Contractors Limited

Cash Flow Statement

year ended 31 December 2003

	Note	2003 £	£	2002 £
Net Cash (Outflow)/Inflow From Operating Activities	19		**(280,629)**	326,335
Returns on Investments and Servicing of Finance	19		**7,659**	(3,095)
Taxation	19		**(6,427)**	(21,715)
Capital Expenditure and Financial Investment	19		**(7,173)**	23,009
Equity Dividends Paid			**(5,739)**	(6,239)
Cash (Outflow)/Inflow Before Use of Liquid Resources and Financing			**(292,309)**	318,295
Management of Liquid Resources Financing	19		**(150,000)**	–
(Decrease)/Increase in Cash	19		**(442,309)**	318,295

The notes on pages 7 to 15 form part of these abbreviated accounts

David Fear Electrical Contractors Limited

Notes to the Abbreviated Accounts

year ended 31 December 2003

1. Accounting Policies

Basis of Accounting

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

Consolidation

In the opinion of the directors, the company and its subsidiary undertakings comprise a small group. The company has therefore taken advantage of the exemption provided by Section 248 of the Companies Act 1985 not to prepare group accounts.

Turnover

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

Fixed Assets

All fixed assets are initially recorded at cost.

Depreciation

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful economic life of that asset as follows:

Motor Vehicles	-	25% or 33.33% per annum on reducing balance
Equipment	-	15% or 25% per annum on reducing balance

As from 1 January 2003 new vehicles purchased are being depreciated at 33.33% reducing balance.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Work in Progress

Work in progress is valued at net realisable value, based on estimated selling price less estimated cost of completion.

Operating Lease Agreements

Rentals paid under operating leases are charged to income as incurred.

Pension Costs

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.

1. Accounting Policies *(continued)*

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.

2. Operating Profit

Operating profit is stated after charging/(crediting):

	2003	2002
	£	£
Depreciation of owned fixed assets	**11,253**	16,666
Loss on disposal of fixed assets	**4,228**	13,287
Auditors' remuneration		
- as auditors	**6,961**	6,160
Operating lease costs:		
Plant and equipment	**180**	169

During the year the company transferred its small works trade to a separate wholly owned subsidiary company for £200,000. This happened 3 months prior to the year end and therefore is not material and has not been fully disclosed as discontinuing operations within the profit and loss account.

3. Particulars of Employees

The average number of staff employed by the company during the financial year amounted to:

	2003	2002
	No	No
Number of production staff	**25**	26
Number of administrative staff	**9**	15
	34	41

The aggregate payroll costs of the above were:

	2003	2002
	£	£
Wages and salaries	**1,293,258**	1,744,600
Social security costs	**84,181**	97,904
	1,377,439	1,842,504

4. Directors' Emoluments

The directors' aggregate emoluments in respect of qualifying services were:

	2003	2002
	£	£
Emoluments receivable	**237,762**	246,913

Emoluments of highest paid director:

	2003	2002
	£	£
Total emoluments (excluding pension contributions)	**123,778**	127,357

The number of directors who accrued benefits under company pension schemes was as follows:

	2003	2002
	No	No
Defined benefit schemes	**2**	2

5. Interest Payable and Similar Charges

	2003	2002
	£	£
Interest payable on bank borrowing	**1,920**	7,603
Finance charges	**–**	296
Other similar charges payable	**883**	1,672
	2,803	9,571

6. Taxation on Ordinary Activities

	2003	2002
	£	£
Current tax:		
UK Corporation tax based on the results for the year at 19% (2002 - 19%)	**19,683**	7,061
Over/under provision in prior year	**(357)**	365
Total current tax	**19,326**	7,426

The £200,000 profit on disposal of operations is not taxable and therefore is removed from profits before the corporation tax charge is calculated.

7. Dividends

The following dividends have been paid in respect of the year:

	2003	2002
	£	£
Dividend paid on ordinary shares	**5,739**	6,239

8. Tangible Fixed Assets

	Motor Vehicles £	Equipment £	Total £
Cost			
At 1 January 2003	**42,605**	**67,410**	**110,015**
Additions	**9,500**	**5,300**	**14,800**
Disposals	**(22,150)**	**(10,369)**	**(32,519)**
At 31 December 2003	**29,955**	**62,341**	**92,296**
Depreciation			
At 1 January 2003	**18,882**	**47,590**	**66,472**
Charge for the year	**6,926**	**4,327**	**11,253**
On disposals	**(11,821)**	**(8,843)**	**(20,664)**
At 31 December 2003	**13,987**	**43,074**	**57,061**
Net Book Value			
At 31 December 2003	**15,968**	**19,267**	**35,235**
At 31 December 2002	23,723	19,820	43,543

9. Investments

Shares in group company

	£
Cost	
At 1 January 2003 and 31 December 2003	**1**
Net Book Value	
At 31 December 2003	**1**
At 31 December 2002	1

The company owns 100% of the issued share capital of David Fear Electrical Limited, comprising of 1 ordinary share of £1.

The aggregate amount of share capital and reserves of David Fear Electrical Limited as at 31 December 2003 was £11,354 (2002 - (£234)), and the profit for the year ended on that date was £11,588 (2002 - loss £135).

10. Stocks

	2003 £	2002 £
Materials and consummables	**5,000**	5,000
Work in progress	**13,106**	24,589
	18,106	29,589

11. Debtors

	2003	2002
	£	£
Trade debtors	**467,225**	1,264,801
Amounts owed by group undertakings	**282,950**	–
Other debtors	**11,394**	8,244
Prepayments and accrued income	**46,715**	39,842
	808,284	1,312,887

Other debtors includes £9,338 (2002 £4,957) owed to the company by D Tainton, director. The maximum balance during the year was £10,492.

Included within Amounts owed by group undertakings is £200,000 which is payable in more than one year.

12. Investments

	2003	2002
	£	£
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 value is less than £50,000. In the opinion of the directors the value is fairly stated.

13. Creditors: amounts falling due within one year

	2003	2002
	£	£
Bank loans and overdrafts	**99,578**	–
Payments received on account	**90,744**	369,528
Trade creditors	**425,654**	1,152,753
Amounts owed to group undertakings	**–**	20,598
Other creditors including taxation and social security:		
Corporation tax	**19,960**	7,061
Other taxation and social security	**58,479**	113,096
Other creditors	**–**	20,000
Directors current accounts	**7,400**	417
	701,815	1,683,453
Accruals and deferred income	**59,714**	61,465
	761,529	1,744,918

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

14. Commitments under Operating Leases

At 31 December 2003 the company had annual commitments under non-cancellable operating leases as set out below.

	Land & Buildings	
	2003	2002
	£	£
Operating leases which expire:		
After more than 5 years	**21,000**	21,000

At 31 December 2003 the company had an annual commitment of £21,000 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 2001.

15. Share Capital

Authorised share capital:

	2003	2002
	£	£
10,000 Ordinary shares of £1 each	**10,000**	10,000

Allotted, called up and fully paid:

	2003		2002	
	No	**£**	No	£
Ordinary shares of £1 each	**105**	**105**	150	150

During the year the company purchased 45 of its own shares from David Fear Electrical Contractors Limited Retirement Benefits Scheme for £150,000.

16. Other Reserves

	2003	2002
	£	£
Capital redemption reserve	**45**	–

The reserve was created by the company purchasing its own shares from the pension scheme, as detailed in note 15.

17. Profit and Loss Account

	2003	2002
	£	£
Balance brought forward	**53,264**	53,667
Retained profit/(accumulated loss) for the financial year	**266,264**	(403)
Purchase of own shares	**(149,955)**	–
Transfer to capital redemption reserve	**(45)**	–
Balance carried forward	**169,528**	53,264

18. Reconciliation of Movements in Shareholders' Funds

	2003 £	£	2002 £
Profit for the financial year		**272,003**	5,836
Dividends		**(5,739)**	(6,239)
		266,264	(403)
Purchase of own equity shares	**(45)**		–
Premium on purchase of own equity shares	**(149,910)**		–
		(149,955)	–
Transfer to capital redemption reserve		**(45)**	–
Net addition/(reduction) to funds		**116,264**	(403)
Opening shareholders' equity funds		**203,369**	203,772
Closing shareholders' equity funds		**319,633**	203,369

19. Notes to the Statement of Cash Flows

Reconciliation of Operating Profit to Net Cash (Outflow)/Inflow From Operating Activities

	2003 £	2002 £
Operating profit	**83,670**	16,357
Depreciation	**11,253**	16,666
Loss on disposal of fixed assets	**4,228**	13,287
Decrease in stocks	**11,483**	3,778
Decrease/(increase) in debtors	**304,603**	(29,191)
(Decrease)/increase in creditors	**(1,095,866)**	305,438
Net cash (outflow)/inflow from operating activities	**(280,629)**	326,335

Returns on Investments and Servicing of Finance

	2003 £	2002 £
Interest received	**10,462**	6,476
Interest paid	**(2,803)**	(9,275)
Interest element of hire purchase and finance lease	**–**	(296)
Net cash inflow/(outflow) from returns on investments and servicing of finance	**7,659**	(3,095)

19. Notes to the Statement of Cash Flows *(continued)*

Taxation

	2003 £	2002 £
Taxation	**(6,427)**	(21,715)

Capital Expenditure

	2003 £	2002 £
Payments to acquire tangible fixed assets	**(14,800)**	(4,578)
Receipts from sale of fixed assets	**7,627**	27,587
Net cash (outflow)/inflow from capital expenditure	**(7,173)**	23,009

Financing

	2003 £	2002 £
Purchase of own equity shares	**(45)**	–
Premium on purchase of own equity shares	**(149,955)**	–
Net cash outflow from financing	**(150,000)**	–

Reconciliation of Net Cash Flow to Movement in Net Funds

	2003 £	£	2002 £
(Decrease)/increase in cash in the period	**(442,309)**		318,295
		(442,309)	318,295
Change in net funds		**(442,309)**	318,295
Net funds at 1 January 2003		**562,267**	243,972
Net funds at 31 December 2003		**119,958**	562,267

19. Notes to the Statement of Cash Flows *(continued)*

Analysis of Changes in Net Funds

	At 1 Jan 2003 £	Cash flows £	At 31 Dec 2003 £
Net cash:			
Cash in hand and at bank	512,267	(342,731)	169,536
Overdrafts	–	(99,578)	(99,578)
	512,267	(442,309)	69,958
Liquid resources:			
Current asset investments	50,000	–	50,000
Net funds	562,267	(442,309)	119,958

20. Related Party Transactions

The ultimate controlling party are D & C Fear by virtue of their directorship and Mr Fear's beneficial shareholding.