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FRANCO ELECTRICAL SERVICES LIMITEDDIRECTORS' REPORT

The directors submit their report and the accounts of the company for the year ended 30th November 2002.

Principal activity

The company installs and maintains emergency and security systems.

Directors and their interests

The directors throughout the year, and their interests in the share capital of the company, were;

Ordinary Shares of £1 each

	<u>At 30th November 2002</u>	<u>At 30th November 2001</u>
Colin Crumack	60	60
Christine Crumack	20	20

Small company status

This report has been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985.

By order of the Board

C. Crumack
C. Crumack

Secretary

4 Chapel Road
Northenden
Manchester M22 4JW

February 2003.



FRANCO ELECTRICAL SERVICES LIMITED

BALANCE SHEET

30TH NOVEMBER 2002

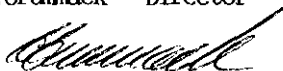
	<u>NOTES</u>	<u>2002</u>	<u>2001</u>
		£	£
Net assets employed -			
Fixed assets			
Tangible assets	2	49657	43754
Current assets			
Stocks		36652	17784
Debtors	3	98550	102204
Cash at bank and in hand		<u>64026</u>	<u>72068</u>
		199228	192056
Creditors : Amounts falling due within one year	4	<u>72641</u>	<u>117359</u>
		<u>176241</u>	<u>161113</u>
Financed as follows;			
Creditors : Amounts falling due after one year	4	34593	24371
Capital and reserves :			
Called up share capital	5	100	100
Profit and loss account		<u>141548</u>	<u>136742</u>
		<u>176241</u>	<u>161113</u>

For the financial year ended 30th November 2002 the company was entitled to the exemption from audit under section 249A(1) of the Companies Act 1985, and no notice has been deposited under section 249B(2) requesting an audit. The directors acknowledge their responsibilities for ensuring that the company keeps accounting records which comply with section 221 of the Act and preparing accounts which give a true and fair view of the state of affairs of the company as at the end of the year and of its profit or loss for the financial year in accordance with the requirements of section 226 and which otherwise comply with the requirements of the Companies Act 1985, so far as applicable to the company.

These accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 1985 and the Financial Reporting Standard for Smaller Entities as (effective March 2000).

The financial statements on pages 2 to 7 were approved by the board of directors on 14th February 2003.

C. Crumack - Director



FRANCO ELECTRICAL SERVICES LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 30TH NOVEMBER 2002

	Notes	2002		2001	
		£	£	£	£
Turnover			478513		499621
Raw materials and consumables		49318		84725	
Other external charges		<u>88536</u>		<u>79043</u>	
		137854		163768	
Staff costs		315076		292624	
Depreciation		<u>17717</u>	<u>470647</u>	<u>12216</u>	<u>468608</u>
Operating profit	6		7866		3101
Interest payable			(3520)		(188)
Interest receivable			<u>560</u>		<u>142</u>
Profit on ordinary activities before taxation			4906		3054
Tax on profit on ordinary activities	7		<u>-</u>		<u>512</u>
Profit for the financial year			4906		2542
Retained profits brought forward			<u>136642</u>		<u>111218</u>
Retained profits carried forward			<u>141548</u>		<u>136642</u>

FRANCO ELECTRICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS

1. ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Small Entities (effective March 2000).

The principal accounting policies, which have been consistently applied, are set out below.

a) Depreciation

Tangible fixed assets are shown at cost less accumulated depreciation. Depreciation has been provided at the following rates in order to write off the cost over their estimated useful lives.

Plant and Machinery	-	10% p.a. on cost
Fixtures and fittings	-	10% p.a. or 25% p.a. on cost
Motor Vehicles	-	25% p.a. on cost

b) Stocks

The basis of valuation is the lower of cost and net realisable value.

c) Hire purchase

Assets held under hire purchase are capitalised as tangible fixed assets and are depreciated over their useful lives. The capital elements of the future hire obligations are recorded as liabilities while the interest elements are charged to profit and loss account over the hire period to produce a constant rate of charge on the balance of capital repayments outstanding.

d) Pension costs

The company makes contributions to money purchase personal pension schemes which are charged to the profit and loss account in the year in which they are paid.

FRANCO ELECTRICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONT'D)

30TH NOVEMBER 2002

2. TANGIBLE FIXED ASSETS

	<u>Plant and Machinery</u>	<u>Motor Vehicles</u>	<u>Total</u>
	£	£	£
Cost -			
At 1st December 2001	26990	70122	97112
Additions		29780	29780
Disposals	(11403)	(26167)	(37570)
At 30th November 2002	<u>15587</u>	<u>73735</u>	<u>89322</u>
Depreciation -			
At 1st DEcember 2001	17837	35521	53358
Charged in year	2466	15251	17717
Disposals	(11403)	(20007)	(31410)
At 30th November 2002	<u>8900</u>	<u>30765</u>	<u>39665</u>
Net Book Value -			
At 30th November 2002	<u>6687</u>	<u>42970</u>	<u>49657</u>
At 1st December 2001	<u>9153</u>	<u>34601</u>	<u>43754</u>

Motor vehicles includes vehicles held under hire purchase contrates, stated at net book value at 30th November 2002 of £42970(2001 £34601) on which depreciation of £17093(2001 £15388) has been charged in the year.

3. DEBITORS

	<u>2002</u>	<u>2001</u>
	£	£
Trade debtors	96086	100204
Other debtors	464	
Prepayments	<u>2000</u>	<u>2000</u>
	<u>98550</u>	<u>102204</u>

4. CREDITORS

	<u>2002</u>	<u>2001</u>
	£	£
Amounts falling due within one year:		
Hire purchase		1985
Trade creditors	11082	10999
Corporation tax	281	5212
Other taxes and social security	27855	29094
Accruals and deferred income	<u>33426</u>	<u>27407</u>
	<u>72644</u>	<u>74697</u>
Amounts falling due after one year:		
Hire purchase	<u>34593</u>	<u>24371</u>

FRANCO ELECTRICAL SERVICES LIMITED

NOTES TO THE ACCOUNTS (CONT'D)

30TH NOVEMBER 2002

5. SHARE CAPITAL

	<u>Authorised</u>		<u>Issued and fully paid</u>	
	<u>2002</u>	<u>2001</u>	<u>2002</u>	<u>2001</u>
	<u>Number</u>	<u>Number</u>	<u>£</u>	<u>£</u>
Ordinary shares of £1 each	<u>1000</u>	<u>1000</u>	<u>100</u>	<u>100</u>

6. OPERATING PROFIT

	<u>2002</u>	<u>2001</u>
	<u>£</u>	<u>£</u>
The operating profit is stated after charging;		
Directors' remuneration	79325	72653
Pension contributions to money purchase schemes	7015	6620

7. TAXATION

The taxation charge for the year has been calculated at 10% (2001 : 20%)