REGISTERED NUMBER: 2096721 (England and Wales)

Report of the Directors and

Financial Statements

for the year ended 31st December 2000

for

J McCann & Co (Nottm) Limited



Contents of the Financial Statements for the year ended 31st December 2000

	Page
Company Information	1
Report of the Directors	2
Report of the Auditors	4
Profit and Loss Account	5
Balance Sheet	6
Cash Flow Statement	7
Notes to the Cash Flow Statement	8
Notes to the Financial Statements	10

J McCann & Co (Nottm) Limited

Company Information
for the year ended 31st December 2000

DIRECTORS:	J J McCann W T Tunney J P McCann Mrs M E McCann
SECRETARY:	Mrs N M McCann
REGISTERED OFFICE:	Hemlockstone Works Coventry Lane Bramcote Nottingham NG9 3GJ
REGISTERED NUMBER:	2096721 (England and Wales)
AUDITORS:	Clayton & Brewill Registered Auditors and Chartered Accountants Cawley House 149-155 Canal Street Nottingham NG1 7HR

Report of the Directors
for the year ended 31st December 2000

The directors present their report with the financial statements of the company for the year ended 31st December 2000.

PRINCIPAL ACTIVITY
The principal activity of the company in the year under review was that of electrical and civil engineering contractors, street lighting and communications specialists.

REVIEW OF BUSINESS
The results for the year and financial position of the company are as shown in the annexed financial statements.

DIVIDENDS
No dividends will be distributed for the year ended 31st December 2000.

FUTURE DEVELOPMENTS
The directors consider that trading conditions will continue in a similar manner to that experienced over this past year.

DIRECTORS
The directors during the year under review were:

J J McCann
W T Tunney
J P McCann
Mrs M E McCann

The beneficial interests of the directors holding office on 31st December 2000 in the issued share capital of the company were as follows:

	31.12.00	1.1.00
Ordinary £1 shares		
J J McCann	-	-
W T Tunney	-	-
J P McCann	100	100
Mrs M E McCann	-	-

J P McCann's shareholding is a joint holding with McCann Holdings (Nottingham) Limited.

The following directors also had beneficial interests in the issued share capital of the holding company, McCann Holdings (Nottingham) Limited.

	31.12.00		1.1.00	
	Ord	Pref	Ord	Pref
J J McCann	379	586	79	586
W T Tunney	1	-	1	-
J P McCann	310	1	460	1
Mrs M E McCann	310	722	460	722

Included above within the preference shareholding of J J McCann, are 513 (1999 - 513) relating to his spouse.

POTENTIAL IMPACT OF THE INTRODUCTION OF THE EURO
The implications of the United Kingdom adopting the Euro are continually being monitored by the directors and they await further developments from government in this area.

Report of the Directors
for the year ended 31st December 2000

STATEMENT OF 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 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.

AUDITORS

The auditors, Clayton & Brewill, will be proposed for re-appointment in accordance with Section 385 of the Companies Act 1985.

ON BEHALF OF THE BOARD:

J J McCann - DIRECTOR

Dated: 24.07.01

Report of the Independent Auditors to the Shareholders of J McCann & Co (Nottm) Limited

We have audited the financial statements of J McCann & Co (Nottm) Limited for the year ended 31st December 2000 on pages five to fifteen. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

Respective responsibilities of directors and auditors
As described on page three the company's directors are responsible for the preparation of financial statements in accordance with applicable law and United Kingdom Accounting Standards.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you if, in our opinion, the Report of the Directors is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and transactions with the company is not disclosed.

We read the Report of the Directors and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit opinion
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion
In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31st December 2000 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Clayton & Brewill
Registered Auditors and
Chartered Accountants
Cawley House
149-155 Canal Street
Nottingham
NG1 7HR

Dated: ..... 24th July 2001

J McCann & Co (Nottm) Limited

Profit and Loss Account
for the year ended 31st December 2000

	Notes	2000 £	2000 £	1999 £	1999 £
TURNOVER			5,779,382		5,220,719
Cost of sales			4,725,585		4,144,591
GROSS PROFIT			1,053,797		1,076,128
Administrative expenses			776,982		925,782
OPERATING PROFIT	3		276,815		150,346
Income from investments		919		629	
Interest receivable and similar income		8,338		58,364	
			9,257		58,993
			286,072		209,339
Interest payable and similar charges	4		1,156		4,969
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			284,916		204,370
Tax on profit on ordinary activities	5		70,529		50,397
PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			214,387		153,973
Dividends	6		-		1,000,000
			214,387		(846,027)
Retained profit brought forward			331,687		1,177,714
RETAINED PROFIT CARRIED FORWARD			£546,074		£331,687

CONTINUING OPERATIONS
None of the company's activities were acquired or discontinued during the current and previous years.

TOTAL RECOGNISED GAINS AND LOSSES
The company has no recognised gains or losses other than the profits for the current and previous years.

The notes form part of these financial statements

J McCann & Co (Nottm) Limited

Balance Sheet
31st December 2000

	Notes	2000 £	2000 £	1999 £	1999 £
FIXED ASSETS:					
Tangible assets	7		753,918		394,759
CURRENT ASSETS:					
Stocks	8	73,200		61,800	
Debtors	9	1,457,816		890,374	
Investments	10	42,699		41,780	
Cash at bank		1,312,887		87,081	
		2,886,602		1,081,035	
CREDITORS: Amounts falling due within one year	11	2,805,251		1,016,441	
NET CURRENT ASSETS:			81,351		64,594
TOTAL ASSETS LESS CURRENT LIABILITIES:			835,269		459,353
CREDITORS: Amounts falling due after more than one year	12		(120,187)		-
PROVISIONS FOR LIABILITIES AND CHARGES:	16		(69,008)		(27,666)
			£646,074		£431,687
CAPITAL AND RESERVES:					
Called up share capital	17		100,000		100,000
Profit and loss account			546,074		331,687
SHAREHOLDERS' FUNDS:	21		£646,074		£431,687

ON BEHALF OF THE BOARD:

J J McCann - DIRECTOR

Approved by the Board on 24.07.01

The notes form part of these financial statements

J McCann & Co (Nottm) Limited

Cash Flow Statement
for the year ended 31st December 2000

	Notes	2000 £	2000 £	1999 £	1999 £
Net cash inflow from operating activities	1		1,572,032		384,437
Returns on investments and servicing of finance	2		8,101		54,024
Taxation			(62,837)		(139,607)
Capital expenditure and financial investment	2		(306,007)		(8,964)
Equity dividends paid			-		(1,000,000)
			1,211,289		**(710,110)**
Financing	2		(23,004)		(38,816)
Increase/(Decrease) in cash in the period			**£1,188,285**		**£(748,926)**

Reconciliation of net cash flow to movement in net funds	3				
Increase/(Decrease) in cash in the period		**1,188,285**		**(748,926)**	
Cash outflow from increase in liquid resources		919		41,780	
Cash outflow from decrease in debt and lease financing		27,463		38,816	
Change in net funds resulting from cash flows			1,216,667		(668,330)
New finance leases			(200,605)		-
Movement in net funds in the period			**1,016,062**		**(668,330)**
Net funds at 1st January			**104,682**		**773,012**
Net funds at 31st December			**£1,120,744**		**£104,682**

The notes form part of these financial statements

Notes to the Cash Flow Statement for the year ended 31st December 2000

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2000 £	1999 £
Operating profit	276,815	150,346
Depreciation charges	146,534	140,488
(Increase)/Decrease in stocks	(11,400)	35,000
(Increase)/Decrease in debtors	(567,442)	866,283
Increase/(Decrease) in creditors	1,727,525	(807,680)
Net cash inflow from operating activities	1,572,032	384,437

2. ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2000 £	1999 £
Returns on investments and servicing of finance		
Interest received	8,338	58,364
Interest element of hire purchase payments	(1,156)	(4,969)
Dividends received	919	629
Net cash inflow for returns on investments and servicing of finance	8,101	54,024
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(326,188)	(6,524)
Cash payments - investmt purch	(919)	(41,780)
Sale of tangible fixed assets	21,100	39,340
Net cash outflow for capital expenditure	(306,007)	(8,964)
Financing		
Loan repayments in year	(27,463)	(38,816)
Amount introduced by directors	4,459	-
Net cash outflow from financing	(23,004)	(38,816)

The notes form part of these financial statements

Notes to the Cash Flow Statement
for the year ended 31st December 2000

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.00 £	Cash flow £	Other non-cash changes £	At 31.12.00 £
Net cash:				
Cash at bank	87,081	1,225,806		1,312,887
Bank overdraft	(14,972)	(37,521)		(52,493)
	72,109	1,188,285		1,260,394
Liquid resources:				
Current asset investments	41,780	919	-	42,699
	41,780	919	-	42,699
Debt:				
Hire purchase	(9,207)	27,463	(200,605)	(182,349)
	(9,207)	27,463	(200,605)	(182,349)
Total	104,682	1,216,667	(200,605)	1,120,744
Analysed in Balance Sheet				
Cash at bank	87,081			1,312,887
Current asset investments	41,780			42,699
Bank overdraft	(14,972)			(52,493)
Hire purchase				
within one year	(9,207)			(62,162)
after one year	-			(120,187)
	104,682			1,120,744

The notes form part of these financial statements

Notes to the Financial Statements
for the year ended 31st December 2000

1. ACCOUNTING POLICIES

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

Turnover
Turnover represents net invoiced sales excluding value added tax.

Tangible fixed assets
Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 20% on reducing balance and 33.3% on cost
Motor vehicles	- 25% on reducing balance

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

Long-term contracts are valued at cost plus attributable profit less provision for foreseeable losses.

Deferred taxation
Provision is made at current rates for taxation deferred in respect of all material timing differences except to the extent that, in the opinion of the directors, there is reasonable probability that the liability will not arise in the foreseeable future.

Foreign currencies
Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments
Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to the profit and loss account over the relevant period. The capital element of the future payments is treated as a liability.

Pensions
The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2000	1999
	£	£
Wages and salaries	1,283,255	1,069,820
Social security costs	108,090	93,527
Other pension costs	335,800	515,100
	1,727,145	1,678,447

2. STAFF COSTS - continued

The average monthly number of employees during the year was as follows:

	2000	1999
Administration	3	4
Production	60	51
	63	55

3. OPERATING PROFIT

The operating profit is stated after charging:

	2000	1999
	£	£
Depreciation - owned assets	144,774	125,908
Depreciation - assets on hire purchase contracts	1,760	14,580
Auditors' remuneration	4,450	4,300
Directors' emoluments	107,008	105,450
Directors' pension contributions to money purchase schemes	326,600	510,100

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	4	4

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2000	1999
	£	£
Hire purchase interest	1,156	4,969

5. TAXATION

The tax charge on the profit on ordinary activities for the year was as follows:

	2000	1999
	£	£
UK corporation tax	29,286	62,949
Prior year taxation	(99)	-
Deferred taxation	41,342	(12,552)
	70,529	50,397

UK corporation tax has been charged at 20% (1999 - 25.24%).

6. DIVIDENDS

	2000	1999
	£	£
Equity shares:		
Ordinary - paid	-	1,000,000

7. TANGIBLE FIXED ASSETS

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1st January 2000	954,438	75,599	79,814	1,109,851
Additions	520,397	6,396	-	526,793
Disposals	(59,877)	(8,950)	(28,659)	(97,486)
At 31st December 2000	1,414,958	73,045	51,155	1,539,158
DEPRECIATION:				
At 1st January 2000	629,346	56,840	28,906	715,092
Charge for year	124,306	6,526	15,702	146,534
Eliminated on disposals	(49,527)	(8,950)	(17,909)	(76,386)
At 31st December 2000	704,125	54,416	26,699	785,240
NET BOOK VALUE:				
At 31st December 2000	710,833	18,629	24,456	753,918
At 31st December 1999	325,092	18,759	50,908	394,759

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery
	£
COST:	
At 1st January 2000	75,590
Additions	201,166
Transferred to ownership	(75,590)
At 31st December 2000	201,166
DEPRECIATION:	
At 1st January 2000	31,819
Charge for year	1,760
Transferred to ownership	(31,819)
At 31st December 2000	1,760
NET BOOK VALUE:	
At 31st December 2000	199,406
At 31st December 1999	43,771

8. STOCKS

	2000	1999
	£	£
Stock	73,200	61,800

9. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Trade debtors	684,080	392,626
Other debtors and prepayments	47,565	29,950
Amount recoverable on contracts	726,171	407,621
Amounts owed by parent undertaking	-	60,177
	1,457,816	890,374

10. CURRENT ASSET INVESTMENTS

	2000 £	1999 £
Listed investments	42,699	41,780

Market value of listed investments at 31st December 2000 - £40,238 (1999 - £56,250).

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank loans and overdrafts (see note 13)	52,493	14,972
Hire purchase contracts (see note 14)	62,162	9,207
Trade creditors	774,085	458,759
Directors current accounts	4,459	-
Reinstatement provision	332,934	254,625
Other creditors and accruals	65,976	88,665
Social security & other taxes	60,223	127,277
Amounts owed to parent undertaking	1,191,220	-
Other creditor - owed to McCann Family R.B.S. Loan	232,413	-
Corporation tax	29,286	62,936
	2,805,251	1,016,441

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2000 £	1999 £
Hire purchase contracts (see note 14)	120,187	-

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank overdrafts	52,493	14,972

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2000 £	1999 £
Gross obligations repayable:		
Within one year	73,023	10,283
Between one and five years	127,790	-
	200,813	10,283
Finance charges repayable:		
Within one year	10,861	1,076
Between one and five years	7,603	-
	18,464	1,076
Net obligations repayable:		
Within one year	62,162	9,207
Between one and five years	120,187	-
	182,349	9,207

15. SECURED DEBTS

The following secured debts are included within creditors:

	2000 £	1999 £
Hire purchase contracts	182,349	9,207

The hire purchase contracts are secured on the assets acquired.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Deferred taxation	69,008	27,666

13. LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below:

	2000 £	1999 £
Amounts falling due within one year or on demand:		
Bank overdrafts	52,493	14,972

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2000 £	1999 £
Gross obligations repayable:		
Within one year	73,023	10,283
Between one and five years	127,790	-
	200,813	10,283
Finance charges repayable:		
Within one year	10,861	1,076
Between one and five years	7,603	-
	18,464	1,076
Net obligations repayable:		
Within one year	62,162	9,207
Between one and five years	120,187	-
	182,349	9,207

15. SECURED DEBTS

The following secured debts are included within creditors:

	2000 £	1999 £
Hire purchase contracts	182,349	9,207

The hire purchase contracts are secured on the assets acquired.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	2000 £	1999 £
Deferred taxation	69,008	27,666