REGISTERED NUMBER: 2096721 (England and Wales)

Abbreviated Financial Statements

for the year ended 31st December 2002

for

J McCann & Co (Nottm) Limited



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11/09/03

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J McCann & Co (Nottm) Limited

Company Information
for the year ended 31st December 2002

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

Report of the Directors
for the year ended 31st December 2002

The directors present their report with the financial statements of the company for the year ended 31st December 2002.

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 2002.

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
S J Adcock

The beneficial interests of the directors holding office on 31st December 2002 in the issued share capital of the company were as follows:

	31.12.02	1.1.02
Ordinary £1 shares		
J J McCann	-	-
W T Tunney	-	-
J P McCann	100	100
Mrs M E McCann	-	-
S J Adcock	-	-

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.

	31.12.02		1.1.02	
	Ord	Pref	Ord	Pref
J J McCann	379	586	379	586
W T Tunney	1	-	1	-
J P McCann	310	1	310	1
Mrs M E McCann	310	722	310	722

Included above within the preference shareholding of J J McCann, are 513 (2001 - 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 2002

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 McCann - DIRECTOR

Dated 1/9/03

Report of the Independent Auditors to J McCann & Co (Nottm) Limited Under Section 247B of the Companies Act 1985

We have examined the abbreviated financial statements on pages five to sixteen, together with the full financial statements of the company for the year ended 31st December 2002 prepared under Section 226 of the Companies Act 1985.

Respective responsibilities of directors and auditors

The directors are responsible for preparing the abbreviated financial statements 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 financial statements prepared in accordance with Section 246A(3) of the Act to the Registrar of Companies and whether the financial statements to be delivered are properly prepared in accordance with that provision and to 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 financial statements and that the abbreviated financial statements 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 full financial statements.

Opinion

In our opinion the company is entitled to deliver abbreviated financial statements prepared in accordance with Section 246A(3) of the Companies Act 1985, and the abbreviated financial statements on pages five to sixteen are properly prepared in accordance with that provision.

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

Dated: 1/9/03

J McCann & Co (Nottm) Limited

Abbreviated Profit and Loss Account
for the year ended 31st December 2002

	Notes	2002 £	2002 £	2001 £	2001 £
GROSS PROFIT			1,614,487		1,271,415
Administrative expenses			1,582,551		906,366
OPERATING PROFIT	3		31,936		365,049
Income from investments		2,573		515	
Interest receivable and similar income		4,848		11,204	
			7,421		11,719
			39,357		376,768
Interest payable and similar charges	4		39,998		30,591
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			(641)		346,177
Tax on (loss)/profit on ordinary activities	5		24,835		94,030
(LOSS)/PROFIT FOR THE FINANCIAL YEAR AFTER TAXATION			(25,476)		252,147
Dividends	6		-		250,000
			(25,476)		2,147
Retained profit brought forward			548,221		546,074
RETAINED PROFIT CARRIED FORWARD			£522,745		£548,221

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 loss for the current year and the profit for the previous year.

The notes form part of these financial statements

J McCann & Co (Nottm) Limited

Abbreviated Balance Sheet
31st December 2002

	Notes	2002 £	2002 £	2001 £	2001 £
FIXED ASSETS:					
Tangible assets	7		1,019,374		744,284
CURRENT ASSETS:					
Stocks	8	76,700		75,300	
Debtors	9	2,927,361		1,348,716	
Investments	10	45,272		42,699	
Cash at bank		423,777		917,092	
		3,473,110		2,383,807	
CREDITORS: Amounts falling due within one year	11	3,609,056		2,328,105	
NET CURRENT (LIABILITIES)/ASSETS:			(135,946)		55,702
TOTAL ASSETS LESS CURRENT LIABILITIES:			883,428		799,986
CREDITORS: Amounts falling due after more than one year	12		(177,003)		(92,920)
PROVISIONS FOR LIABILITIES AND CHARGES:	16		(83,680)		(58,845)
			£622,745		£648,221
CAPITAL AND RESERVES:					
Called up share capital	17		100,000		100,000
Profit and loss account			522,745		548,221
SHAREHOLDERS' FUNDS:	21		£622,745		£648,221

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

ON BEHALF OF THE BOARD:

J J McCann - DIRECTOR

Approved by the Board on 1/9/03

The notes form part of these financial statements

J McCann & Co (Nottm) Limited

Cash Flow Statement
for the year ended 31st December 2002

	Notes	2002 £	2002 £	2001 £	2001 £
Net cash (outflow)/inflow from operating activities	1		(57,844)		132,308
Returns on investments and servicing of finance	2		(32,577)		(18,872)
Taxation			(104,193)		(29,286)
Capital expenditure and financial investment	2		(555,666)		(206,654)
Equity dividends paid			-		(250,000)
			(750,280)		**(372,504)**
Financing	2		89,893		8,204
Decrease in cash in the period			**£(660,387)**		**£(364,300)**

Reconciliation of net cash flow to movement in net funds	3			
Decrease in cash in the period		**(660,387)**	**(364,300)**	
Cash outflow from increase in liquid resources		2,573	-	
Cash inflow from increase in debt and lease financing		(207,853)	(12,663)	
Change in net funds resulting from cash flows			(865,667)	(376,963)
Movement in net funds in the period			**(865,667)**	**(376,963)**
Net funds at 1st January			**743,781**	**1,120,744**
Net (debt)/funds at 31st December			**£(121,886)**	**£743,781**

The notes form part of these financial statements

Notes to the Cash Flow Statement for the year ended 31st December 2002

1. RECONCILIATION OF OPERATING PROFIT TO NET CASH (OUTFLOW)/INFLOW FROM OPERATING ACTIVITIES

	2002 £	2001 £
Operating profit	31,936	365,049
Depreciation charges	278,003	216,288
Increase in stocks	(1,400)	(2,100)
(Increase)/Decrease in debtors	(1,460,685)	109,100
Increase/(Decrease) in creditors	1,094,302	(556,029)
Net cash (outflow)/inflow from operating activities	(57,844)	132,308

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	4,848	11,204
Interest paid	(16,269)	(19,041)
Interest element of hire purchase payments	(23,729)	(11,550)
Dividends received	2,573	515
Net cash outflow for returns on investments and servicing of finance	(32,577)	(18,872)
Capital expenditure and financial investment		
Purchase of tangible fixed assets	(571,193)	(207,454)
Cash payments - investmt purch	(2,573)	-
Sale of tangible fixed assets	18,100	800
Net cash outflow for capital expenditure	(555,666)	(206,654)
Financing		
New loan taken out in year	368,681	88,953
Loan repayments in year	(160,828)	(76,290)
Amount withdrawn by directors	(117,960)	(4,459)
Net cash inflow from financing	89,893	8,204

The notes form part of these financial statements

Notes to the Cash Flow Statement for the year ended 31st December 2002

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.02 £	Cash flow £	At 31.12.02 £
Net cash:			
Cash at bank	917,092	(493,315)	423,777
Bank overdraft	(20,998)	(167,072)	(188,070)
	896,094	(660,387)	235,707
Liquid resources:			
Current asset investments	42,699	2,573	45,272
	42,699	2,573	45,272
Debt:			
Hire purchase	(195,012)	(207,853)	(402,865)
	(195,012)	(207,853)	(402,865)
Total	743,781	(865,667)	(121,886)

Analysed in Balance Sheet

Cash at bank	917,092		423,777
Current asset investments	42,699		45,272
Bank overdraft	(20,998)		(188,070)
Hire purchase			
within one year	(102,092)		(225,862)
after one year	(92,920)		(177,003)
	743,781		(121,886)

The notes form part of these financial statements

Notes to the Abbreviated Financial Statements
for the year ended 31st December 2002

1. ACCOUNTING POLICIES

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

Turnover
Turnover represents net invoiced sales of goods, 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	- 33.3% on cost and 20% on reducing balance
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 tax
Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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.

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

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

	2002 £	2001 £
Wages and salaries	2,148,413	1,747,186
Social security costs	157,352	156,433
Other pension costs	794,700	29,560
	3,100,465	1,933,179

2. **STAFF COSTS - continued**

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

	2002	2001
Administration	3	3
Production	61	57
	64	60

3. **OPERATING PROFIT**

The operating profit is stated after charging:

	2002	2001
	£	£
Hire of plant and machinery	328,168	178,536
Depreciation - owned assets	142,576	161,516
Depreciation - assets on hire purchase contracts	135,427	54,772
Auditors' remuneration	6,500	4,300
Directors' emoluments	256,949	469,147
Directors' pension contributions to money purchase schemes	794,700	29,560

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

Money purchase schemes	4	4

Information regarding the highest paid director is as follows:

	2002	2001
	£	£
Emoluments etc	83,622	323,312
Pension contributions to money purchase schemes	596,600	-

4. **INTEREST PAYABLE AND SIMILAR CHARGES**

	2002	2001
	£	£
Loan interest	16,269	19,041
Hire purchase interest	23,729	11,550
	39,998	30,591

5. TAXATION

Analysis of the tax charge

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

	2002 £	2001 £
Current tax:		
UK corporation tax	-	104,193
Deferred tax:		
Deferred taxation	24,835	(10,163)
Tax on (loss)/profit on ordinary activities	24,835	94,030

UK corporation tax was charged at 27% in 2001.

Factors affecting the tax charge

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2002 £	2001 £
(Loss)/profit on ordinary activities before tax	(641)	346,177
(Loss)/profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 - 30%)	(192)	103,853
Effects of:		
Depreciation charge greater than capital allowances	-	9,722
Expenses not deductible for tax purposes	-	42
Marginal relief claim	-	(9,269)
Franked investment income received	-	(155)
Trade losses for the year	192	-
Current tax charge	-	104,193

6. DIVIDENDS

	2002 £	2001 £
Equity shares:		
Final ordinary share dividend	-	250,000

7. **TANGIBLE FIXED ASSETS**

	Plant and machinery	Fixtures and fittings	Motor vehicles	Totals
	£	£	£	£
COST:				
At 1st January 2002	1,605,497	82,860	40,405	1,728,762
Additions	538,269	32,924	-	571,193
Disposals	(45,371)	-	(18,500)	(63,871)
At 31st December 2002	2,098,395	115,784	21,905	2,236,084
DEPRECIATION:				
At 1st January 2002	895,265	63,082	26,131	984,478
Charge for year	262,876	7,675	7,452	278,003
Eliminated on disposals	(27,771)	-	(18,000)	(45,771)
At 31st December 2002	1,130,370	70,757	15,583	1,216,710
NET BOOK VALUE:				
At 31st December 2002	968,025	45,027	6,322	1,019,374
At 31st December 2001	710,232	19,778	14,274	744,284

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

	Plant and machinery
	£
COST:	
At 1st January 2002	289,526
Additions	437,504
At 31st December 2002	727,030
DEPRECIATION:	
At 1st January 2002	56,532
Charge for year	135,427
At 31st December 2002	191,959
NET BOOK VALUE:	
At 31st December 2002	535,071
At 31st December 2001	232,994

8. **STOCKS**

	2002	2001
	£	£
Stock	76,700	75,300

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002 £	2001 £
Trade debtors	1,211,126	459,587
Other debtors and prepayments	128,514	81,370
Amounts recoverable on contracts	1,469,761	807,759
Directors' current accounts	117,960	-
	2,927,361	1,348,716

The overdrawn directors current account has been cleared since the year end.

10. **CURRENT ASSET INVESTMENTS**

	2002 £	2001 £
Listed investments	45,272	42,699

Market value of listed investments at 31st December 2002 - £45,696 (2001 - £41,014).

11. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2002 £	2001 £
Bank loans and overdrafts (see note 13)	188,070	20,998
Hire purchase contracts (see note 14)	225,862	102,092
Trade creditors	1,001,480	813,032
Reinstatement provision	548,211	407,145
Other creditors and accruals	124,368	83,082
Social security & other taxes	207,624	439,385
Amounts owed to parent undertaking	1,081,028	125,765
Other creditor - owed to McCann Family R.B.S. Loan	232,413	232,413
Corporation tax	-	104,193
	3,609,056	2,328,105

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

	2002 £	2001 £
Hire purchase contracts (see note 14)	177,003	92,920

13. LOANS AND OVERDRAFTS

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

	2002 £	2001 £
Amounts falling due within one year or on demand:		
Bank overdrafts	188,070	20,998

14. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2002 £	2001 £
Gross obligations repayable:		
Within one year	243,115	111,822
Between one and five years	183,920	96,020
	427,035	207,842
Finance charges repayable:		
Within one year	17,253	9,730
Between one and five years	6,917	3,100
	24,170	12,830
Net obligations repayable:		
Within one year	225,862	102,092
Between one and five years	177,003	92,920
	402,865	195,012

15. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank overdrafts	188,070	20,998
Hire purchase contracts	402,865	195,012
	590,935	216,010

The hire purchase contracts are secured on the assets acquired.

Barclays Bank Plc hold a cross guarantee security dated 20th May 1987 covering facilities provided to the company and its parent, McCann Holdings (Nottingham) Limited.

There is no net bank indebtedness in either company at the balance sheet date.

16. PROVISIONS FOR LIABILITIES AND CHARGES

	2002 £	2001 £
Deferred taxation	83,680	58,845

16. PROVISIONS FOR LIABILITIES AND CHARGES - continued

	Deferred tax £
Balance at 1st January 2002	58,845
Movement in year	24,835
Balance at 31st December 2002	83,680

17. CALLED UP SHARE CAPITAL

Authorised, allotted, issued and fully paid:

Number:	Class:	Nominal value:	2002 £	2001 £
100,000	Ordinary	£1	100,000	100,000

18. PENSION COMMITMENTS

The company operates a non contributory pension scheme. It is a defined contribution scheme and contributions are charged in the profit and loss account as they accrue. The charge for the year was £794,700 (2001 £29,560).

19. ULTIMATE PARENT COMPANY

The ultimate holding company is McCann Holdings (Nottingham) Limited a company registered in England and Wales.

20. TRANSACTIONS WITH DIRECTORS

The following loan to a director subsisted during the year ended 31st December 2002:

	£
J J McCann	
Balance outstanding at start of year	-
Balance outstanding at end of year	117,960
Maximum balance outstanding during year	117,960

21. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002 £	2001 £
(Loss)/Profit for the financial year	(25,476)	252,147
Dividends	-	(250,000)
Net (reduction)/addition to shareholders' funds	(25,476)	2,147
Opening shareholders' funds	648,221	646,074
Closing shareholders' funds	622,745	648,221
Equity interests	622,745	648,221