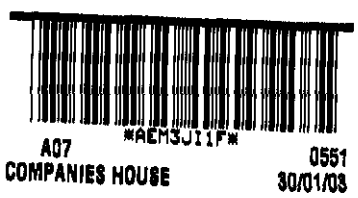
BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

FINANCIAL STATEMENTS

FOR

31ST OCTOBER 2002

Company Registration Number 2546421



MACINTYRE HUDSON
Chartered Accountants & Registered Auditors
Peterbridge House
The Lakes
Northampton
NN4 7HB

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2002

CONTENTS	PAGE
Officers and professional advisers	1
The directors' report	2
Statement of directors' responsibilities	4
Independent auditors' report to the shareholders	5
Profit and loss account	6
Balance sheet	7
Accounting policies	8
Notes to the financial statements	11

The following pages do not form part of the financial statements

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

OFFICERS AND PROFESSIONAL ADVISERS

The board of directors	Mr M P Stanton Mr J A Holland
Company secretary	Mr A J Noon
Registered office	Bembridge House Bembridge Drive Kingsthorpe Northampton NN2 6LZ
Auditors	MacIntyre Hudson Chartered Accountants & Registered Auditors Peterbridge House The Lakes Northampton NN4 7HB
Bankers	Barclays Bank Plc Cliftonville Northampton NN1 5BE

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

THE DIRECTORS' REPORT

YEAR ENDED 31ST OCTOBER 2002

The directors have pleasure in presenting their report and the financial statements of the company for the year ended 31st October 2002.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of building services contractors, including services refurbishment works and air-conditioning.

The results for the year are set out in the profit and loss account on page 6.

Work done in the year amounted to £10.8m (2001 - £9.3m) with an operating profit of £200,636 (2001 - £85,785).

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:

	2002	2001
	£	£
Proposed dividend on ordinary shares	25,000	-

The balance of profit for the year amounting to £111,465 (2001 £54,849) will be added to reserves and carried forward to the following year.

THE DIRECTORS AND THEIR INTERESTS IN SHARES OF THE COMPANY

The directors who served the company during the year were as follows:

Mr M P Stanton
Mr J A Holland

The company is a wholly owned subsidiary and the interests of group directors are disclosed in the financial statements of the parent company.

TAXATION STATUS

The company is a close company as defined by the provisions of the Income and Corporation Taxes Act 1988.

FIXED ASSETS

The movements in fixed assets are recorded in the notes to the financial statements.

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

THE DIRECTORS' REPORT *(continued)*

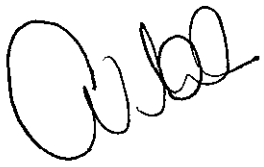
YEAR ENDED 31ST OCTOBER 2002

AUDITORS

A resolution to re-appoint MacIntyre Hudson as auditors for the ensuing year will be proposed at the annual general meeting in accordance with section 385 of the Companies Act 1985.

Registered office:
Bembridge House
Bembridge Drive
Kingsthorpe
Northampton
NN2 6LZ

Signed by order of the directors



Mr A J NOON
Company Secretary

Approved by the directors on .....

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

STATEMENT OF DIRECTORS' RESPONSIBILITIES

YEAR ENDED 31ST OCTOBER 2002

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 8 to 10, and then apply them consistently;

make judgements and estimates that are reasonable and prudent;

state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

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. 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.

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS

YEAR ENDED 31ST OCTOBER 2002

We have audited the financial statements which comprise the Profit and Loss Account, Balance Sheet and the related notes. These financial statements have been prepared under the historical cost convention and on the basis of the accounting policies set out therein.

RESPECTIVE RESPONSIBILITIES OF THE DIRECTORS AND THE AUDITORS
As described in the Statement of Directors' Responsibilities the company's directors are responsible for the preparation of the 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 Directors' Report 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 Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it. Our responsibilities do not extend to any other information.

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 October 2002 and of the profit of the company for the year then ended, and have been properly prepared in accordance with the Companies Act 1985.

Macintyre Hudson

MACINTYRE HUDSON
Chartered Accountants
& Registered Auditors

Peterbridge House
The Lakes
Northampton
NN4 7HB

23 January 2003

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

PROFIT AND LOSS ACCOUNT

YEAR ENDED 31ST OCTOBER 2002

	Note	2002 £	2001 £
WORK DONE		10,821,366	9,264,903
TURNOVER	1	10,790,312	9,322,675
Cost of sales		9,113,390	7,919,925
GROSS PROFIT		1,676,922	1,402,750
Administrative expenses		1,476,286	1,316,965
OPERATING PROFIT	2	200,636	85,785
Interest receivable		583	–
Interest payable	5	(3,390)	(6,673)
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		197,829	79,112
Tax on profit on ordinary activities	6	61,364	24,263
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		136,465	54,849
Dividends	7	25,000	-
RETAINED PROFIT FOR THE FINANCIAL YEAR		111,465	54,849
Balance brought forward		220,865	166,016
Balance carried forward		332,330	220,865

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

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

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

BALANCE SHEET

31ST OCTOBER 2002

	Note	2002 £	2002 £	2001 £	2001 £
FIXED ASSETS					
Tangible assets	**8**		210,909		229,803
CURRENT ASSETS					
Stocks	**9**	30,712		46,405	
Debtors	**10**	3,289,033		2,240,709	
Cash at bank and in hand		95,718		543,768	
		3,415,463		2,830,882	
CREDITORS: Amounts falling due within one year	**12**	3,293,942		2,834,479	
NET CURRENT ASSETS/(LIABILITIES)			121,521		(3,597)
TOTAL ASSETS LESS CURRENT LIABILITIES			332,430		226,206
CREDITORS: Amounts falling due after more than one year	**13**		–		5,241
			332,430		220,965
CAPITAL AND RESERVES					
Called-up equity share capital	**18**		100		100
Profit and Loss Account			332,330		220,865
SHAREHOLDERS' FUNDS	**19**		332,430		220,965

These financial statements were approved by the directors on the ..... and are signed on their behalf by:

.....
Mr M P STANTON

The accounting policies and notes on pages 8 to 17 form part of these financial statements.

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

ACCOUNTING POLICIES

YEAR ENDED 31ST OCTOBER 2002

Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards.

Cash flow statement

The directors have taken advantage of the exemption in Financial Reporting Standard No 1 (revised) from including a cash flow statement in the financial statements on the grounds that the company is wholly owned and its parent publishes a consolidated cash flow statement.

Turnover

Turnover represents amounts invoiced during the year, excluding value added tax, except in respect of contracting activities. For contracting activities, turnover represents the value of work carried out during the year, including amounts not yet invoiced. The amount by which turnover exceeds progress payments received and receivable is classified as "Amounts recoverable on contracts" and is separately disclosed in debtors. Progress payments received in excess of amounts matched with turnover are classified as "Payments received on account" and are disclosed in creditors.

Profit recognition on contracts

Profit is recognised on contracts with a duration of more than 12 months ("Long term contracts"). A conservative approach is adopted whereby profit is only recognised where a contract is substantially complete. The amount of profit recognised is the lower of the margin earned to date and a proportion of that forecast on completion, taking account of agreed claims.

The recognition of profit on long term contracts is in accordance with the Statement of Standard Accounting Practice 9, which unlike the Companies Act 1985, allows unrealised profit to be included in the profit and loss account for the period. This departure form the provisions of the Act is required in order to give a true and fair view.

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:

Plant and equipment	- 20% on a straight line basis
Fixtures and fittings	- 10% on a straight line basis
Motor vehicles	- 25% on a straight line basis
Telephone system	- 25% on a straight line basis

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

ACCOUNTING POLICIES *(CONTINUED)*

YEAR ENDED 31ST OCTOBER 2002

Work in progress

1) Small works
Small works are stated at the lower of cost and net realisable value.

2) Short term contracts
"Cost" for contracts with a duration of less than 12 months ("short term contracts") consist of direct materials, labour and attributable production overheads, less foreseeable losses and applicable payments on account.Contract provisions in excess of amounts recoverable are included in creditors.

3) Long term contracts
"Cost" for long term contracts is determined on the same basis as short term contracts, except that anticipated profits are recognised where appropriate, in accordance with the principles set out above.

Work done

Work done represents the work carried out during the year, calculated by adjusting turnover for the movement between opening and closing stocks and work in progress. Work in progress for this purpose includes cost on materially completed contracts, but excludes attributable overheads.

Hire purchase agreements

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the Profit and Loss Account.

Pension costs

The company operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the company. The annual contributions payable are charged to the Profit and Loss Account.

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more, tax, with the following exception.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

ACCOUNTING POLICIES *(CONTINUED)*

YEAR ENDED 31ST OCTOBER 2002

Taxation

The charge for taxation is based on the profit for the year as adjusted for disallowable items.

When taxation losses are transferred between group companies, under the group relief provisions a charge equivalent to 30% of the losses transferred is made.

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2002

1. TURNOVER

The turnover and profit before tax are attributable to the one principal activity of the company.

An analysis of turnover is given below:

	2002	2001
	£	£
United Kingdom	10,790,312	9,322,675

2. OPERATING PROFIT

Operating profit is stated after charging/(crediting):

	2002	2001
	£	£
Depreciation	97,555	85,120
Profit on disposal of fixed assets	(3,392)	(2,157)
Operating lease costs:		
Land and buildings	4,923	5,730
Auditors Fee	5,000	5,000

3. PARTICULARS OF EMPLOYEES

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

	2002	2001
	No.	No.
Number of production staff	30	33
Number of administrative staff	25	22
	55	55

The aggregate payroll costs of the above were:

	2002	2001
	£	£
Wages and salaries	1,216,923	1,218,767
Social security costs	137,544	111,351
Other pension costs	38,636	30,056
	1,393,103	1,360,174

4. DIRECTORS' EMOLUMENTS

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

	2002	2001
	£	£
Emoluments receivable	76,015	66,273
Value of company pension contributions to money purchase schemes	5,200	5,117
	81,215	71,390

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2002

4. DIRECTORS' EMOLUMENTS *(continued)*

The number of directors who are accruing benefits under company pension schemes were as follows:

	2002 No.	2001 No.
Money purchase schemes	1	1

5. INTEREST PAYABLE

	2002 £	2001 £
Interest payable on bank borrowing	2	51
Finance charges	3,388	6,622
	3,390	6,673

6. TAX ON PROFIT ON ORDINARY ACTIVITIES

(a) Taxation

	2002 £	2001 £
Current tax:		
In respect of the year:		
UK Corporation tax based on the taxable results for the year at 30% (2001 - 30%)	68,940	24,471
Over/under provision in prior year	–	(208)
Total current tax	68,940	24,263
Deferred tax:		
Decrease in deferred tax provision **(note 10)**		
Capital allowances	(7,576)	–
Tax on profit on ordinary activities	61,364	24,263

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2002

6. TAX ON PROFIT ON ORDINARY ACTIVITIES *(continued)*

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is higher than the standard rate of corporation tax in the UK of 30% (2001 - 30%).

	2002 £	2001 £
Profit on ordinary activities before taxation	197,829	79,112
Profit/(loss)on ordinary activities by rate of tax	59,349	23,734
Disallowable expenses	1,166	1,343
Depreciation for the period in excess of capital allowances	8,425	(606)
Adjustments to the tax charge in respect of the previous year	–	(208)
Total current tax **(note 6(a))**	68,940	24,263

7. DIVIDENDS

The directors have recommended the following dividends:

	2002 £	2001 £
Proposed dividend on ordinary shares	25,000	-

8. TANGIBLE FIXED ASSETS

	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Telephone system £	Total £
COST					
At 1 November 2001	99,350	3,130	342,881	4,448	449,809
Additions	17,456	–	62,113	–	79,569
Disposals	–	–	(35,631)	–	(35,631)
At 31 October 2002	116,806	3,130	369,363	4,448	493,747
DEPRECIATION					
At 1 November 2001	50,374	1,672	167,404	556	220,006
Charge for the year	15,927	282	80,234	1,112	97,555
On disposals	–	–	(34,723)	–	(34,723)
At 31 October 2002	66,301	1,954	212,915	1,668	282,838
NET BOOK VALUE					
At 31 October 2002	50,505	1,176	156,448	2,780	210,909
At 31 October 2001	48,976	1,458	175,477	3,892	229,803

Hire purchase agreements

Included within the net book value of £210,909 is £30,069 (2001 - £92,567) relating to assets held under hire purchase agreements. The depreciation charged to the accounts in the year in respect of such assets amounted to £12,276 (2001 - £31,472).

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2002

9. STOCKS

	2002 £	2001 £
Work in progress	191,293	160,239
Payments on account	(160,581)	(113,834)
	30,712	46,405

10. DEBTORS

	2002 £	2001 £
Trade debtors	2,930,145	1,694,629
Amounts owed by group undertakings	113,313	352,282
Amounts recoverable on contracts	71,510	180,765
Other debtors	160,666	–
Prepayments and accrued income	5,823	13,033
Deferred taxation (Note 10)	7,576	–
	3,289,033	2,240,709

Included in trade debtors is an amount of £Nil which is due after more than one year (2001 - £Nil).

11. DEFERRED TAXATION

	2002 £	2001 £
The movement in the deferred taxation account during the year was:		
Profit and Loss Account movement arising during the year	(7,576)	–
Balance carried forward	(7,576)	–

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2002

11. DEFERRED TAXATION *(continued)*

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2002		2001	
	Provided	**Unprovided**	Provided	Unprovided
	£	**£**	£	£
Excess of taxation allowances over depreciation on fixed assets	7,576	–	–	(2,410)
	7,576	–	–	(2,410)

12. CREDITORS: Amounts falling due within one year

	2002		2001	
	£	**£**	£	£
Payments received on account		611,916		176,760
Trade creditors		1,458,623		1,711,183
Amounts owed to group undertakings		453,023		108,159
Other creditors including taxation and social security:				
Corporation tax	68,940		15,231	
PAYE and social security	53,499		45,305	
VAT	109,061		173,908	
Hire purchase agreements	8,257		28,068	
Dividends payable	25,000		-	
Other creditors	391,246		507,128	
		656,003		769,640
Accruals and deferred income		114,377		68,737
		3,293,942		2,834,479

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2002	2001
	£	£
Hire purchase	8,257	28,068

The hire purchase liabilities are secured by the assets held under these agreements.

13. CREDITORS: Amounts falling due after more than one year

	2002	2001
	£	£
Other creditors:		
Hire purchase agreements	–	5,241

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2002

13. CREDITORS: Amounts falling due after more than one year *(continued)*

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2002	2001
	£	£
Hire purchase	–	5,241

The hire purchase liabilities are secured by the assets held under these agreements.

14. COMMITMENTS UNDER HIRE PURCHASE AGREEMENTS

Future commitments under hire purchase agreements are as follows:

	2002	2001
	£	£
Amounts payable within 1 year	8,257	28,068
Amounts payable between 1 and 2 years	–	5,241
	8,257	33,309
Hire purchase agreements are analysed as follows:		
Current obligations	8,257	28,068
Non-current obligations	–	5,241
	8,257	33,309

15. PENSIONS

The company participates in the defined contribution pension scheme of its parent company. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £38,636 (2001 - £30,056).

16. CONTINGENCIES

The company has given an unlimited guarantee to Barclays Bank Plc in favour of Briggs & Forrester (Holdings) Limited and all other group companies. Group borrowings at 31 October 2002 were £Nil.

Barclays Bank Plc hold a legal charge over the assets of the group.

17. RELATED PARTY TRANSACTIONS

As disclosed in note 19, the directors regard Briggs & Forrester Group Limited as the ultimate parent company. The consolidated accounts of the group are available to the public from the Registrar of Companies.

The company has therefore taken advantage of the exemptions from disclosure of inter-group transactions conferred in Financial Reporting Standard 8.

BRIGGS AND FORRESTER (SPECIAL PROJECTS) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 31ST OCTOBER 2002

18. SHARE CAPITAL

Authorised share capital:

	2002	2001
	£	£
100 Ordinary shares of £1 each	100	100

Allotted, called up and fully paid:

	2002	2001
	£	£
Ordinary share capital	100	100

19. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	136,465	54,849
Dividends	(25,000)	-
	111,465	54,849
Opening shareholders' equity funds	220,965	166,116
Closing shareholders' equity funds	332,430	220,965

19. ULTIMATE PARENT COMPANY

The directors regard Briggs & Forrester Group Limited, a company registered in England and Wales, as the ultimate holding company.

In the opinion of the directors the ultimate controlling party of the parent company are M P Stanton and G J L Stanton.