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REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2002
FOR
GLENDALE ELECTRICAL ENGINEERS
(GLASGOW) LIMITED



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GLENDALE ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

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for the Year Ended 31 March 2002

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GLENDAL E ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

COMPANY INFORMATION
for the Year Ended 31 March 2002

DIRECTORS:	E Robertson Mrs E M Robertson A Corner W Paterson M Robertson
SECRETARY:	Mrs E M Robertson
REGISTERED OFFICE:	1014 Cumbernauld Road, Glasgow G33 2QR
REGISTERED NUMBER:	63739 (Scotland)
AUDITORS:	Thomas Barrie & Co. Registered Auditors Chartered Accountants Atlantic Chambers 1a Cadogan Street Glasgow G2 6QE
SOLICITORS:	Clark Boyle & Co.

GLENDALE ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

REPORT OF THE DIRECTORS
for the Year Ended 31 March 2002

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of electrical engineering contractors.

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 31 March 2002.

DIRECTORS

The directors during the year under review were:

E Robertson	
Mrs E M Robertson	
A Corner	
W Paterson	
M Robertson	- appointed 1.7.01

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

	31.3.02	1.4.01 or date of appointment if later
Ordinary £1 shares		
E Robertson	1,200	1,200
Mrs E M Robertson	1,000	1,000
A Corner	-	-
W Paterson	-	-
M Robertson	-	-

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.

GLENDAL E ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

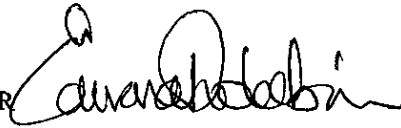
REPORT OF THE DIRECTORS
for the Year Ended 31 March 2002

AUDITORS

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

ON BEHALF OF THE BOARD:

E Robertson - DIRECTOR

A handwritten signature in black ink, appearing to read 'E Robertson', written over the printed name.

Dated: 27 January 2003

GLENDALE ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

REPORT OF THE INDEPENDENT AUDITORS TO THE SHAREHOLDERS OF
GLENDALE ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

We have audited the financial statements of Glendale Electrical Engineers (Glasgow) Limited for the year ended 31 March 2002 on pages five to sixteen. 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 two 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

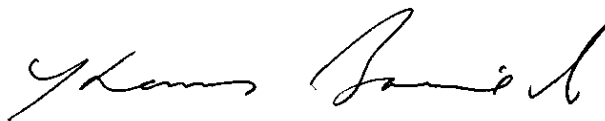
We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates 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 31 March 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Thomas Barrie & Co.
Registered Auditors
Chartered Accountants
Atlantic Chambers
1a Cadogan Street
Glasgow
G2 6QE



Dated: 27 January 2003

GLENDAL E ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

PROFIT AND LOSS ACCOUNT
for the Year Ended 31 March 2002

2001		Notes	2002	
£	£		£	£
4,436,262				3,955,361
144,859				137,722
4,581,121				4,093,083
1,963,404				1,581,227
2,617,717				2,511,856
	2,190,233	2	2,068,453	
	44,958		50,740	
	285,933		325,102	
2,521,124				2,444,295
96,593		3		67,561
30				21
96,623				67,582
25,250		4		24,474
71,373				43,108
19,657		5		15,566
51,716				27,542
138,012				189,728
£189,728				£217,270

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

BALANCE SHEET
31 March 2002

ON BEHALF OF THE BOARD:

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CASH FLOW STATEMENT
for the Year Ended 31 March 2002

The notes form part of these financial statements

GLENDAL E ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2002

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

	2002 £	2001 £
Operating profit	67,561	96,593
Depreciation charges	48,862	41,517
Loss on sale of fixed assets	1,878	3,441
Increase in stocks	(137,722)	(144,859)
Decrease/(Increase) in debtors	105,748	(199,289)
(Decrease)/Increase in creditors	(138,438)	146,037
Net cash outflow from operating activities	<u>(52,111)</u>	<u>(56,560)</u>

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

	2002 £	2001 £
Returns on investments and servicing of finance		
Interest received	21	30
Interest paid	(21,783)	(20,778)
Interest element of hire purchase payments	(2,691)	(4,472)
Net cash outflow for returns on investments and servicing of finance	<u>(24,453)</u>	<u>(25,220)</u>
Capital expenditure		
Purchase of tangible fixed assets	(88,878)	(47,547)
Sale of tangible fixed assets	21,350	10,800
Net cash outflow for capital expenditure	<u>(67,528)</u>	<u>(36,747)</u>
Financing		
New loan taken out in year	11,716	69,860
Capital Element of Hire Purchase se repayments	40,039	(17,978)
Amount withdrawn by directors	(35,100)	(18,522)
Net cash inflow from financing	<u>16,655</u>	<u>33,360</u>

The notes form part of these financial statements

GLENDALE ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 March 2002

3. **ANALYSIS OF CHANGES IN NET DEBT**

	At 1.4.01 £	Cash flow £	At 31.3.02 £
Net cash:			
Cash at bank and in hand	22,635	(16,488)	6,147
Bank overdraft	(48,110)	(130,606)	(178,716)
	<u>(25,475)</u>	<u>(147,094)</u>	<u>(172,569)</u>
Debt:			
Hire purchase	(17,443)	(40,040)	(57,483)
	<u>(17,443)</u>	<u>(40,040)</u>	<u>(57,483)</u>
Total	<u>(42,918)</u>	<u>(187,134)</u>	<u>(230,052)</u>
Analysed in Balance Sheet			
Cash at bank and in hand	22,635		6,147
Bank overdraft	(48,110)		(178,716)
Hire purchase			
within one year	(9,919)		(24,094)
after one year	(7,524)		(33,389)
	<u>(42,918)</u>		<u>(230,052)</u>

The notes form part of these financial statements

GLENDALE ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 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.

Improvements to property	- 10% on cost
Plant and machinery	- 10% on cost
Fixtures and fittings	- 15% on cost
Motor vehicles	- 25% on reducing balance

Stocks

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

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

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. Contributions payable for the year are charged in the profit and loss account.

2. STAFF COSTS

	2002	2001
	£	£
Wages and salaries	1,890,924	1,989,107
Social security costs	151,737	166,729
Other pension costs	25,792	34,397
	<u>2,068,453</u>	<u>2,190,233</u>

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

	2002	2001
Administration	14	12
Production	75	85
	<u>89</u>	<u>97</u>

GLENDAL E ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

3. OPERATING PROFIT

The operating profit is stated after charging:

	2002	2001
	£	£
Depreciation - owned assets	26,234	27,999
Depreciation - assets on hire purchase contracts	22,628	13,518
Loss on disposal of fixed assets	1,878	3,441
Auditors' remuneration	6,800	6,800
	<u>184,104</u>	<u>191,026</u>
Directors' emoluments	<u>184,104</u>	<u>191,026</u>

4. INTEREST PAYABLE AND SIMILAR CHARGES

	2002	2001
	£	£
Bank interest	7,448	9,402
Loan	14,335	11,376
Hire purchase	2,691	4,472
	<u>24,474</u>	<u>25,250</u>

5. TAXATION

Analysis of the tax charge

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

	2002	2001
	£	£
Current tax:		
UK corporation tax	15,566	19,657
	<u>15,566</u>	<u>19,657</u>
Tax on profit on ordinary activities	<u>15,566</u>	<u>19,657</u>

UK corporation tax has been charged at 20% (2001 - 20%).

GLENDAL E ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

5. TAXATION - continued

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 £
Profit on ordinary activities before tax	43,108	71,373
Profit on ordinary activities multiplied by the standard rate of corporation tax in the UK of 30% (2001 - 30%)	12,932	21,412
Effects of:		
Expenses not deductible for tax purposes	8,548	7,404
Capital allowances in excess of depreciation and other timing differences	1,869	670
Adjustment to tax charge in respect of lower tax rate	(7,783)	(9,829)
Current tax charge	15,566	19,657

6. TANGIBLE FIXED ASSETS

	Totals	Improvements to property	Plant and machinery	Fixtures and fittings	Motor vehicles
	£	£	£	£	£
COST:					
At 1 April 2001	395,114	31,156	15,506	103,223	245,229
Additions	88,878	-	-	2,288	86,590
Disposals	(76,928)	-	-	-	(76,928)
At 31 March 2002	407,064	31,156	15,506	105,511	254,891
DEPRECIATION:					
At 1 April 2001	267,278	20,715	11,759	85,579	149,225
Charge for year	48,862	1,740	1,177	6,103	39,842
Eliminated on disposals	(53,700)	-	-	-	(53,700)
At 31 March 2002	262,440	22,455	12,936	91,682	135,367
NET BOOK VALUE:					
At 31 March 2002	144,624	8,701	2,570	13,829	119,524
At 31 March 2001	127,836	10,441	3,747	17,644	96,004

GLENDAL E ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

6. TANGIBLE FIXED ASSETS - continued

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

	Motor vehicles
	£
COST:	
At 1 April 2001	84,397
Additions	75,683
Disposals	(20,850)
Transferred to ownership	(40,121)
At 31 March 2002	99,109
DEPRECIATION:	
At 1 April 2001	43,840
Charge for year	22,628
Eliminated on disposals	(12,054)
Transferred to ownership	(23,195)
At 31 March 2002	31,219
NET BOOK VALUE:	
At 31 March 2002	67,890
At 31 March 2001	40,557

7. STOCKS

	2002	2001
	£	£
Stock	4,000	4,000
Work in Progress	438,476	300,754
	442,476	304,754

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

	2002	2001
	£	£
Trade Debtors	663,569	762,106
Prepayments	52,479	47,812
Other Debtors	6,907	6,907
Staff Loans	734	12,611
	723,689	829,436

GLENDAL E ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

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

	2002 £	2001 £
Bank loans and overdrafts (see note 11)	178,716	48,110
Hire purchase contracts (see note 12)	24,094	9,919
Trade Creditors	391,319	508,155
Other Creditors	3,000	3,000
Directors' current accounts	23,025	58,125
V.A.T.	113,243	100,132
Social Security & Other Taxes	92,401	60,646
Taxation	15,566	19,657
Accrued Expenses	37,469	103,937
	<u>878,833</u>	<u>911,681</u>

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

	2002 £	2001 £
Loan - Pension Scheme Trustees (see note 11)	185,244	173,528
Hire purchase contracts (see note 12)	33,389	7,524
	<u>218,633</u>	<u>181,052</u>

11. 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	<u>178,716</u>	<u>48,110</u>
Amounts falling due between two and five years:		
Loan - Pension Scheme Trustees	<u>185,244</u>	<u>173,528</u>

GLENDALE ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

12. OBLIGATIONS UNDER HIRE PURCHASE CONTRACTS

	2002 £	2001 £
Gross obligations repayable:		
Within one year	27,270	11,317
Between one and five years	37,816	8,652
	<u>65,086</u>	<u>19,969</u>
Finance charges repayable:		
Within one year	3,176	1,398
Between one and five years	4,427	1,128
	<u>7,603</u>	<u>2,526</u>
Net obligations repayable:		
Within one year	24,094	9,919
Between one and five years	33,389	7,524
	<u>57,483</u>	<u>17,443</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2002 £	2001 £
Bank overdrafts	<u>178,716</u>	<u>48,110</u>

The bank overdraft is secured by a Bond and Floating Charge in favour of The Royal Bank of Scotland plc over all the assets of the Company.

14. CALLED UP SHARE CAPITAL

Authorised:				
Number:	Class:	Nominal value:	2002 £	2001 £
10,000	Ordinary	£1	<u>10,000</u>	<u>10,000</u>
Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2002 £	2001 £
2,200	Ordinary	£1	<u>2,200</u>	<u>2,200</u>

15. PENSION COMMITMENTS

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. The pension charge represents contributions payable by the Company to the fund and amounted to £25,792 (2001 - £34,397).

GLENDALE ELECTRICAL ENGINEERS
(GLASGOW) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 March 2002

16. TRANSACTIONS WITH DIRECTORS

E Robertson, Mrs E Robertson and M Robertson, the trustees of Glendale Electrical(Glasgow) Limited directors retirement plan have advanced the sum of £185,244 (2001 - £173,528) to the company. The loan is repayable on or before 22 April 2003. Interest will be paid to the retirement plan at a rate equal to 3.50% p.a. over the bank base rate.

17. RELATED PARTY DISCLOSURES

The premises used by the Company are owned by Mr E Robertson to whom it paid rent of £9,600 (2001 - £9,600).

18. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	2002	2001
	£	£
Profit for the financial year	27,542	51,716
Net addition to shareholders' funds	27,542	51,716
Opening shareholders' funds	191,928	140,212
Closing shareholders' funds	219,470	191,928
Equity interests	219,470	191,928