

SC. 120849.

WEST COAST CONTROLS LIMITED

**DIRECTORS REPORT
and
FINANCIAL STATEMENTS**

for the year ended

31 May 2002



Sutherland & Company
Chartered Accountants
Registered Auditor

WEST COAST CONTROLS LIMITED

Company Information

Directors	G L McComb J MacPherson R Alexander
Secretary	G L McComb
Company Number	120849
Registered Office	10-14 Crossvegate Industrial Estate Milngavie Glasgow G62 6RA
Auditors	Sutherland & Co Chartered Accountants Registered Auditor 1 Campsie View Drive Blanefield Glasgow G63 9JE

WEST COAST CONTROLS LIMITED

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for the year ended 31 May 2002

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WEST COAST CONTROLS LIMITED

DIRECTORS REPORT

The directors submit their report and audited financial statements for the year ended 31 May 2002.

Principal Activity and Business Review

The principal activity of the company is that of heating and ventilating controls engineers.

The directors anticipate that the level of trading will continue at a satisfactory level in the coming year.

State of Affairs

The results for the year are set out in the accounts. Dividends of £72,520 were paid during the year. (2000 - NIL)

The directors recommend that the balance on profit and loss account of £784,315 be carried forward.

Directors

The directors who acted throughout the year and their interests in the issued share capital of the company were:

		31.05.02	31.05.01
G L McComb	£1 Ord shares	150	150
J MacPherson	£1 Ord shares	150	150
R Alexander	£1 Ord shares	Nil	Nil

Charitable Donations

During the year charitable donations amounted to £125 (2001 £300)

Auditors

Sutherland & Co have expressed their willingness to continue in office as auditors and a resolution to re-appoint them will be proposed at the forthcoming annual general meeting.

This report was approved by the board on 11 December 2002 and signed on its behalf.



G L McComb
Director and Secretary

WEST COAST CONTROLS LIMITED

Statement of directors responsibilities

Company law requires the directors to prepare accounts 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 for the period. In preparing those accounts, the directors are required to:

- a) select suitable accounting policies and then apply them consistently;
- b) make judgements and estimates that are reasonable and prudent;
- c) state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the accounts: and
- d) prepare the accounts 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 to enable them to ensure that the accounts comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDANT AUDITORS REPORT TO THE SHAREHOLDERS OF WEST COAST CONTROLS LIMITED

We have audited the financial statements of West Coast Controls Limited for the year ended 31 May 2002 on pages 4 to 11. These financial statements have been prepared under the historical cost convention and the accounting policies set out on page 7.

Respective responsibilities of directors and 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.

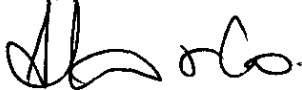
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes an 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 accounts give a true and fair view of the state of the company's affairs as at 31 May 2002 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Sutherland & Co
Chartered Accountants
Registered Auditor
11 December 2002

1 Campsie View Drive
Blanefield
Glasgow G63 9JE

WEST COAST CONTROLS LIMITED

***Profit and Loss Account
for the year ended 31 May 2002***

	Note	2002 £	2001 £
Turnover	1	5,218,937	3,699,002
Cost of sales		<u>4,599,280</u>	<u>3,402,915</u>
Gross profit		619,657	296,087
Distribution costs		9,888	6,667
Administration expenses		<u>410,965</u>	<u>271,042</u>
		420,853	277,709
Operating profit	2	198,804	18,378
Interest receivable	5	<u>35,666</u>	<u>52,574</u>
Profit on ordinary activities before tax		234,470	70,952
Tax on profit on ordinary activities	6	<u>74,754</u>	<u>17,055</u>
Profit on ordinary activities after tax		159,716	53,897
Dividend paid - equity	7	<u>72,520</u>	<u>0</u>
Retained profit/ (loss) for year	13	<u><u>87,196</u></u>	<u><u>53,897</u></u>

There were no discontinued operations or acquisitions during the year.

There were no gains or losses affecting shareholders funds other than those disclosed above.

The reconciliation of the movement in shareholders funds is disclosed at note 12.

The notes on pages 7 - 11 form part of the financial statements.

WEST COAST CONTROLS LIMITED

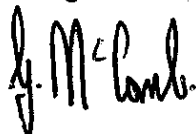
Balance Sheet as at 31 May 2002

	Note	2002 £	2001 £
Fixed assets	8	194,865	241,497
Current assets			
Stocks	9	53,952	66,422
Debtors	10	1,131,831	584,050
Cash at Bank		<u>786,377</u>	<u>1,334,061</u>
		1,972,160	1,984,533
Current liabilities (amounts falling due within one year)	11	<u>1,382,410</u>	<u>1,528,611</u>
Net current assets		<u>589,750</u>	<u>455,922</u>
Total assets less current liabilities		<u><u>784,615</u></u>	<u><u>697,419</u></u>

CAPITAL AND RESERVES

Called up share capital	12	300	300
Profit and loss account	13	<u>784,315</u>	<u>697,119</u>
Equity shareholders' funds	14	<u><u>784,615</u></u>	<u><u>697,419</u></u>

The financial statements were approved by the board on 11 December 2002 and signed on its behalf.



G L McComb
Director

The notes on pages 7 - 11 form part of the financial statements.

WEST COAST CONTROLS LIMITED

Cash Flow Statement for the year ended 31 May 2002

	Note	2002 £	2001 £
Net cash inflow/(outflow) from operating activities	1	-454,603	1,101,152
Returns on investment and servicing of finance			
Interest received		35,666	52,574
Taxation			
Corporation tax paid		-18,751	-55,434
Capital expenditure			
Purchase of tangible fixed assets		-89,490	-203,049
Receipts from sale of tangible fixed assets		24,750	29,682
Net cash outflow from capital expenditure		-64,740	-173,367
Equity dividends		-72,520	0
Increase/(decrease) in cash in the year	2	-574,948	924,925

Notes to the cash flow statement

1. Reconciliation of operating profit to net cash inflow/(outflow) from operating activities

Operating profit	198,804	18,378
Depreciation charges	111,372	129,311
(Increase)/decrease in stocks	12,470	-14,367
(Increase)/decrease in debtors	-547,781	193,424
Increase/(decrease) in creditors	-229,468	774,406
	<u>-454,603</u>	<u>1,101,152</u>

2. Analysis of changes in cash during the year

Balance at 1 June 2001	1,281,784	356,859
Net cash inflow/(outflow)	-574,948	924,925
Balance at 31 May 2002	<u>706,836</u>	<u>1,281,784</u>

3. Analysis of balances of cash as shown in the balance sheet

Cash at bank	786,377	1,334,061
Bank overdraft	-79,541	-52,277
	<u>706,836</u>	<u>1,281,784</u>

The notes on pages 7-11 form part of these financial statements

WEST COAST CONTROLS LIMITED

Notes to the accounts

1. Accounting policies

The following accounting policies have been applied consistently in dealing with items considered material in relation to the company's financial statements.

BASIS OF PREPARATION

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

TURNOVER

Turnover represents the value of contracts completed and of other goods and services invoiced.

PENSIONS

The company operates a defined contribution scheme. Contributions are charged to revenue as incurred.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost less depreciation.

Tangible fixed assets are depreciated on a straight line basis at the undemoted rates in order to write off their cost over their expected useful lives.

Plant & equipment	25% per annum
Motor vehicles	25% Do.
Fixtures & fittings	25% Do.

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.

STOCKS

Stock of material has been valued at the lower of direct cost and net realisable value.

WORK IN PROGRESS

Work in progress is valued at the lower of direct cost and net realisable value. Direct cost represents materials, labour and other costs directly attributable to the contract and is arrived at by deducting from the selling value a percentage to represent profit and these overheads not included in direct cost. Where losses in contracts at completion are anticipated, appropriate provision is made.

WEST COAST CONTROLS LIMITED

Notes to the accounts(continued)	2002	2001
	£	£

2. Operating profit

Operating profit is stated after charging:

Depreciation	121,802	129,311
Auditors remuneration - audit	2,300	2,200
- other services	3,400	3,200

Turnover relates to continuing operations and is all earned in the United Kingdom.

3. Directors remuneration

Emoluments	886,145	1,105,689
Pension contributions	77,600	77,600

During the year retirement benefits were accruing to 3 directors (2000 - 3) in respect of money purchase schemes.

Chairman and highest paid director - emoluments	500,343	524,191
- money purchase pension	36,000	36,000

4. Staff costs

Staff costs, including directors remuneration, were as follows:

Wages and salaries	2,233,985	2,300,802
Social security	257,118	270,043
Other pension costs	90,449	90,746
	<u>2,581,552</u>	<u>2,661,591</u>

The average number of employees, including directors, during the year was:

Office and admin	3	3
Technical	45	44

5. Interest receivable

Income from short term deposits	<u>35,666</u>	<u>52,574</u>
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6. Taxation on profits on ordinary activities

Corporation tax has been provided at the applicable rate for the year.

<u>74,754</u>	<u>17,055</u>
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If provision were made for deferred tax on the basis of the full potential liability, the tax charge would decrease by £19550 (2001 - £18,040)

The company is a close company within the meaning of the Income and Corporation Taxes Act 1988.

7. Dividends

Dividend paid on ordinary shares - £241.73 per share (2001 NIL)	<u>72520</u>	<u>0</u>
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WEST COAST CONTROLS LIMITED

Notes to the accounts(continued)

8. Tangible fixed assets

	Machinery	Fittings	Vehicles	
<i>Cost</i>				
At 1 June 2001	148,245	33,032	462,468	643,745
Additions	11,581	0	77,909	89,490
Disposals	450	0	106,861	107,311
At 31 May 2002	159,376	33,032	433,516	625,924
<i>Depreciation</i>				
At 1 June 2001	111,728	29,985	260,535	402,248
Charge for year	19,729	1,939	100,134	121,802
On disposals	450	0	92,541	92,991
At 31 May 2002	131,007	31,924	268,128	431,059
<i>Netbook value</i>				
At 31 May 2002	28,369	1,108	165,388	194,865
At 31 May 2001	36,517	3,047	201,933	241,497

2002
£

2001
£

9. Stocks

Materials	53,952	66,422
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10. Debtors

Trade	255,547	133,122
Amounts recoverable on contracts	358,502	402,636
Other debtors	492,328	8607
Prepaid charges and accrued income	25,454	39,685
	1,131,831	584,050

Payments on individual contracts in excess of the value of work done are included in creditors.

WEST COAST CONTROLS LIMITED

Notes to the accounts(continued)

2002	2001
£	£

11. Creditors(falling due within one year)

Bank overdraft	79,541	52,277
Trade creditors	213,679	137,095
Corporation tax	73,000	17,000
Other taxes and social security	88,478	129,613
Other creditors	17,462	17,702
Payments in advance	225,953	276,370
Accruals	684,297	898,557
	<u>1,382,410</u>	<u>1,528,614</u>

12. Called up share capital

Authorised, allotted, issued and fully paid Ordinary shares of £1 each	<u>300</u>	<u>300</u>
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13. Profit and loss account

At beginning of year	697,119	643,222
Retained profit	<u>87,196</u>	<u>53,897</u>
	<u>784,315</u>	<u>697,119</u>

14. Reconciliation of movement in shareholders funds

Profit for financial year	159,716	53,897
Less: Dividend	<u>72,520</u>	<u>0</u>
	<u>87,196</u>	<u>53,897</u>
Opening shareholders funds	697,419	643,522
Closing shareholders funds	<u>784,615</u>	<u>697,419</u>

WEST COAST CONTROLS LIMITED

Notes to the accounts(continued)

2002	2001
£	£

15. Capital commitments

Nil	Nil
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16. Related parties

Included in the accounts are transactions with companies which are under the control of J MacPherson and G L McComb. The amounts represent trading at arms length and involve the following companies:

East Coast Controls Limited

Sales and work done	35,381	34,823
Management charge	100,000	246,333

Purchase of materials, etc	34,881	27,709
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Balance receivable at 31 May	881	2,644
Balance payable at 31 May	13,681	0

M & M Control Services Limited

Sales & work done	0	0
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Purchases & work done	0	0
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Balance receivable at 31 May	0	0
Balance payable at 31 May	17,702	17,702

McComb MacPherson & Co Ltd

Rents payable	51,458	49,479
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Balance receivable at 31 May	491,128	4,057
Balance payable at 31 May	0	0