

SL 22049

FES FM LIMITED

ABBREVIATED

FINANCIAL STATEMENTS

2002



FES FM LIMITED

DIRECTORS

D.S. Fletcher, Chairman	(appointed 11.06.01)
D.K. Fletcher	(appointed 11.06.01)
J. Maitland, Managing Director	(appointed 11.06.01)

SECRETARY

Mrs. L.E. Alcock	(appointed 11.06.01)
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REGISTERED OFFICE

Forth House,
Pirnhall Business Park,
STIRLING, FK7 8HW.

REGISTERED NO

SC220049

BANKERS

Clydesdale Bank Plc
Business Banking Centre
Suite 2, Ochil House
Stirling, FK7 8HW

SOLICITORS

Hill & Robb	Holmes MacKillop
3 Pitt Terrace	109 Douglas Street
Stirling FK8 2EY	Blythwood Square
	Glasgow, G2 4HB

AUDITORS

Dickson Middleton
Chartered Accountants
20 Barnton Street
Stirling FK8 1NE

FES FM LIMITED

REPORT OF THE DIRECTORS

The company was incorporated on 11th June 2001 and commenced trading on 1st September, 2001. The Directors present their report with the abbreviated accounts of the Company for the period ended 31st August, 2002.

PRINCIPAL ACTIVITY

In the period under review the Company operated as a supplier of services within the Construction, Engineering and Property sectors. During the period the principal activities of the Company included all aspects of Facilities Management Services.

RESULTS AND DIVIDENDS

The profit for the period after taxation, amounted to £539,746.

FUTURE DEVELOPMENTS

During the year a new office was established in Manchester, our first in England. This office is expected to contribute to the expansion of the company.

In view of the work in hand the directors expect that in the year to 31st August, 2003 the company will continue to progress and expand satisfactorily.

DIRECTORS

The Directors in office during the period are as shown on the front sheet. D.S Fletcher and D.K. Fletcher are directors of the parent company. Their interests in the parent company are disclosed in that company's financial statements.

DIRECTORS' RESPONSIBILITIES

Company law requires the directors to prepare financial statements for each financial period 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 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 accounts 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.

FES FM LIMITED

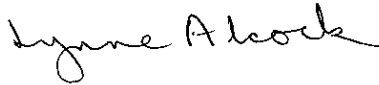
REPORT OF THE DIRECTORS (CONTINUED)

AUDITORS

The Auditors, Messrs. Dickson Middleton, Chartered Accountants, will be proposed for re-appointment in accordance with Section 384 of the Companies Act 1985.

This report is prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

BY ORDER OF THE BOARD,

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

LYNNE ALCOCK

SECRETARY

18th December, 2002

INDEPENDENT AUDITORS' REPORT TO FES FM LIMITED

UNDER SECTION 247B OF THE COMPANIES ACT 1985

We have audited the abbreviated accounts set out on pages 4 to 9 together with the financial statements of FES FM Limited for the year ended 31st August 2002 prepared under Section 226 of the Companies Act 1985.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors are responsible for preparing abbreviated accounts 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 accounts prepared in accordance with Section 246A(3) of the Act to the registrar of companies and whether the accounts 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 considered necessary to confirm, by reference to the financial statements, that the company is entitled to deliver abbreviated accounts and that the abbreviated accounts 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 accounts prepared in accordance with S246A(3) of the Companies Act 1985 in respect of the year ended 31st August 2002, and the abbreviated accounts on pages 4 to 9 are properly prepared in accordance with that provision.



DICKSON MIDDLETON.
Registered Auditors and Chartered Accountants,
20 Barnton Street,
Stirling,
FK8 1NE.

18th December, 2002

FES FM LIMITED

ABBREVIATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED

31ST AUGUST 2002

	Note	Period to 31st August 2002 £	£
GROSS PROFIT			1,818,528
Administration Expenses		897,972	
Other Operating Charges		<u>162,072</u>	
			<u>1,060,044</u>
OPERATING PROFIT	3		758,484
Interest Receivable		11,424	
Interest Payable		<u>(122)</u>	
			<u>11,302</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION			769,786
TAXATION	5		<u>230,040</u>
PROFIT RETAINED FOR FINANCIAL PERIOD			<u>539,746</u>

There are no recognised gains or losses other than the profit for the above financial period.
The company had no discontinued operations in the period.
The notes on pages 6 to 9 form part of these accounts.

FES FM LIMITED

ABBREVIATED BALANCE SHEET AS AT 31ST AUGUST 2002

	Note	£	£
FIXED ASSETS			
Tangible Assets	6		116,138
CURRENT ASSETS			
Stocks	7	16,823	
Debtors	8	2,373,225	
Cash at Bank and on Hand		<u>306,935</u>	
		2,696,983	
CREDITORS: amounts falling due within one year	9	<u>2,243,375</u>	
NET CURRENT ASSETS			<u>453,608</u>
NET ASSETS			<u>569,746</u>
CAPITAL AND RESERVES			
Called up Share Capital	11		30,000
Profit and Loss Account	12		<u>539,746</u>
SHAREHOLDERS' FUNDS			<u>569,746</u>

The abbreviated accounts are prepared in accordance with the special provisions of Part VII of the Companies Act 1985 relating to medium-sized companies.

The Accounts were approved by the Board of Directors on 18th December, 2002.


D.S. Fletcher Director


D.K. Fletcher Director

The notes on pages 6 to 9 form part of these accounts.

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS – 31ST AUGUST 2002

1. ACCOUNTING POLICIES

(a) Basis of Accounting

The accounts have been prepared under the historical cost convention and applicable United Kingdom Accounting Standards.

(b) Turnover

Turnover represents the value of work carried out, including work subcontracted, adjusted for amounts recoverable on contracts, and also includes sales and other trading income and excludes V.A.T

(c) Fixed Assets - Tangible Assets

Depreciation on tangible assets, is based on the estimated working lives of the assets as follows:-

Motor Vehicles	- 25% reducing balance
Plant & Equipment	- 4 & 5 years

(d) Amounts Recoverable on Contracts

Amounts Recoverable on Contracts have been valued at the amounts receivable under the contracts for work completed less foreseeable losses, if any, and progress payments received.

(e) Deferred Taxation

Deferred taxation arises when items are recognised for tax in periods that differ from the period in which the items are recognised for accounting purposes. The company provides for deferred taxation to the extent that there is a reasonable probability that such taxation will become payable in the foreseeable future. Deferred taxation assets are recognised where there is a reasonable probability that such assets will be realised in the foreseeable future.

(f) Stocks

Stocks have been valued at the lower of the cost and net realisable value.

(g) Cash Flow Statement

The company has taken advantage of an exemption under FRS 1 (Cash Flow Statements) and not prepared a cash flow statement on the grounds that the ultimate parent company prepares consolidated financial statements, which deal with the results of the company and are publicly available.

FES FM LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS – 31ST AUGUST 2002

2. TURNOVER

The turnover and profit before taxation is attributable to the supply of facility management services within the Construction, Engineering and Property Sectors.

The market area is entirely within the United Kingdom.

3. OPERATING PROFIT

The Operating Profit is stated after charging:-

	Period to 31st August 2002 £
Depreciation of Owned Assets	37,822
Auditors Remuneration	4,500
Hire of Plant & Equipment - Operating Leases	73,722

The total directors' remuneration (including pension contributions) for the period to 31st August, 2002 is £114,080. This includes that portion paid by Forth & Oban Limited.

4. PROVISION OF STAFF

The company's staff are supplied by Forth & Oban Limited, in return for a fee.

5. TAXATION

	2002 £
(a) <u>Analysis of tax charge in the period</u>	
UK Corporation tax on profits of the period	<u>230,040</u>
(b) <u>Factors affecting tax charge for the period</u>	
The tax assessed for the period is lower than the standard rate of corporation tax in the UK (30 per cent).	
The differences are explained below:	
Profit on ordinary activities before tax	<u>769,786</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK.	230,936
Effect of:	
Expenses not allowable for corporation tax purposes	637
Capital allowances for period in excess of depreciation	2,549
Other adjustments	<u>(4,082)</u>
Current tax charge for the period	<u>230,040</u>

FES FM LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS – 31ST AUGUST 2002

(CONTINUED)

6. TANGIBLE FIXED ASSETS

	Motor Vehicles £	Plant & Equipment £	Total £
Cost			
Transferred from another group company	146,473	-	146,473
Additions	38,594	60,164	98,758
At 31st August 2002	<u>185,067</u>	<u>60,164</u>	<u>245,231</u>
Depreciation			
Transferred from another group company	91,271	-	91,271
Charge for period	23,449	14,373	37,822
At 31st August 2002	<u>114,720</u>	<u>14,373</u>	<u>129,093</u>
Net Book Values			
At 31st August 2002	<u>70,347</u>	<u>45,791</u>	<u>116,138</u>

7. STOCKS

	2002 £
Raw Materials and Consumables	<u>16,823</u>

8. DEBTORS

	2002 £
Amounts Recoverable on Contracts	252,266
Trade Debtors	1,016,174
Other Debtors	14,590
Prepayments	4,345
Amounts due from Joint Venture	852,812
Amounts due from Group Undertakings	233,038
	<u>2,373,225</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2002 £
Trade Creditors	765,952
Social Security and Other Taxes	194,892
Amounts due to Group Undertakings	367,683
Amounts due to Joint Venture	540,293
Other Creditors	120,025
Accruals	24,490
Corporation Tax	230,040
	<u>2,243,375</u>

FES FM LIMITED

NOTES TO THE ABBREVIATED FINANCIAL STATEMENTS – 31ST AUGUST 2002

(CONTINUED)

10. DEFERRED TAXATION

The Directors consider that under the liability method, no provision is necessary for deferred taxation at 31st August, 2002.

11. SHARE CAPITAL

2002
£

Authorised 50,000 Ordinary Shares of £1 each	<u>50,000</u>
Allotted, Issued and Fully Paid 30,000 Ordinary Shares of £1 each	<u>30,000</u>

On incorporation, 2 ordinary shares of £1 each were issued at par. A further 29,998 ordinary shares of £1 each were subsequently issued at par on 30th November, 2001 to form the capital base of the company.

12. RESERVES

	Profit and Loss Account £	Total £
Profit for the financial period	<u>539,746</u>	<u>539,746</u>
At end of period	<u>539,746</u>	<u>539,746</u>

13. DIRECTORS' LOANS AND TRANSACTIONS

The company has taken advantage of the exemption conferred by FRS 8 from disclosing transactions with its parent company and fellow subsidiaries.

D.K. Fletcher is a director of FES Limited and of FES FM Limited. He is a director of Axiis Limited, a joint venture company 50% owned by FES Limited. Transactions between the company and Axiis Limited during the year were entered into at arm's length and in the ordinary course of business as follows:-

	£
Sales to Axiis	<u>960,653</u>

Balances due by/to Axiis Limited are disclosed in notes 8 and 9.

14. ULTIMATE PARENT COMPANY

The immediate and ultimate parent company is Forth Holdings Limited, which is incorporated in Great Britain and registered in Scotland.