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Company Registration No. 609981

COMMUNICATIONS INSTALLATIONS
TECHNOLOGY LIMITED

Report and Financial Statements

31 December 1999



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COMMUNICATIONS INSTALLATIONS TECHNOLOGY LIMITED

REPORT AND FINANCIAL STATEMENTS 1999

CONTENTS	Page
Officers and professional advisers	1
Director's report	2-4
Statement of directors' responsibilities	5
Auditor's report	6
Profit and loss account	7
Balance sheet	8
Notes to the accounts	9-14

REPORT AND FINANCIAL STATEMENTS 1999

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

G G R Ludlow
P C Slabbert
D A Foreman
R Hammerton
D J Lloyd

SECRETARY

D Foreman

REGISTERED OFFICE

Intersection House
Birmingham Road
West Bromwich
West Midlands
B70 6RX

BANKERS

Midland Bank plc
130 New Street
Birmingham
B2 4JU

AUDITORS

Deloitte & Touche
Chartered Accountants
63 High Street
Crawley
West Sussex
RH10 1BQ

REPORT OF THE DIRECTORS

The directors present their annual report and the audited financial statements for the year ended 31 December 1999.

ACTIVITIES

The principal activity of the Company continues to be the installation of data cable and telephony networks.

REVIEW OF THE BUSINESS AND FUTURE PROSPECTS

The Company achieved a satisfactory result for the year.

Future prospects for the Company remain positive as it develops new business opportunities.

RESULTS

The results of the Company are as set out in the accounts on page 7.

The Company has paid an interim dividend of £123,000 (1998 - £340,098). The Directors recommend the payment of a final dividend of £317,000 (1998 - Nil).

DIRECTORS AND THEIR INTEREST

The directors who served during the year and those appointed since the year end are set out below: -

G G R Ludlow	(appointed 30.9.99)
P C Slabbert	(appointed 30.9.99)
D A Foreman	(appointed 31.1.2000)
R Hammerton	
D J Lloyd	(appointed 17.2.99)
C Gately	(resigned 30.6.99)
P D Skett	(resigned 30.9.99)
G J Wentzell	(resigned 30.9.99)

None of the directors has any beneficial interest in the shares of the Company.

In accordance with the Articles of Association directors are not required to retire by rotation.

The interests of the directors at 31 December 1999 in the capital of the ultimate parent undertaking Tilbury Douglas Plc, are as stated on Page 3. The directors have no other interest in any other group undertaking.

REPORT OF THE DIRECTORS (continued)

	<u>Shares of 10p each</u>		<u>Options over Shares of 10p each</u>		<u>Exercise Price p</u>	<u>Period of Exercise</u>
	1.1.99	31.12.99	1.1.99	31.12.99		
R Hammerton	10,430	10,430	14,150	14,150	212.0	07.10.01-06.10.08
			10,850	10,850	212.0	07.10.01-6.10.05
G G R Ludlow			11,175	11,175	268.0	18.06.00-17.06.07
			38,825	38,825	268.0	18.06.00-17.06.07
			1,957	1,957	199.2	01.01.01-30.06.01
			40,000	40,000	212.0	07.10.01-06.10.05
D J Lloyd			10,850	10,850	212.0	07.10.01-06.10.05
			14,150	14,150	212.0	07.10.01-06.10.08

The market price of Tilbury Douglas Plc shares at 31 December 1999 was 253.5p.
The range of closing prices during the year was 218p to 328.5p.

EMPLOYEES

The Company has an established policy that disabled persons, especially should they become disabled in the course of their employment with the Company, are employed where circumstances permit. The Company endeavours to ensure that disabled employees benefit from training and career development programmes in common with other employees.

POLICY ON PAYMENT CREDITORS

It is the Company's normal practice to agree payment terms with its suppliers and abide by those terms. Payment becomes due when it can be confirmed that goods and/or services have been provided in accordance with the relevant contractual conditions. Trade creditors at 31st December 1999, calculated in accordance with the requirements of the Companies Act 1985, were 47 days (1998-71 days). This represents the ratio, expressed in days, between the amounts invoiced to the Company in the year by its supplier and the amounts due, at the year end, to trade creditors falling due for payment within one year.

REPORT OF THE DIRECTORS (continued)

YEAR 2000

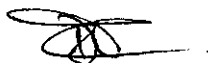
No "Year 2000" issues have emerged to date in relation to current and ongoing business. The company does not foresee any exceptional costs arising during the current financial year from "Year 2000" issues.

AUDITORS

Resolutions will be proposed at the annual general meeting to re-appoint Deloitte & Touche as auditors to the company and to authorise the directors to fix their remuneration.

Intersection House]
 110 Birmingham Road]
 West Bromwich]
 West Midlands]
 B70 6RX]

Approved by the Board of Directors and
 signed on behalf of the Board by



20th April 2000

D Foreman

Secretary

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 as at the end of the financial year and of the profit or loss for that period. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed;
- Prepare the financial statements on the ongoing 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' REPORT TO THE MEMBERS OF
COMMUNICATIONS TECHNOLOGY INSTALLATIONS LIMITED**

We have audited the financial statements on pages 7 to 14 which have been prepared under the accounting policies set out on page 9.

Respective responsibilities of directors and auditors

As described on page 5 the company's directors are responsible for the preparation of financial statements. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of opinion

We conducted our audit in accordance with 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 judgments 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 December 1999 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

Deloitte & Touche

Deloitte & Touche
Chartered Accountants and Registered Auditors

25 April 2000

63 High Street
Crawley
West Sussex
RH10 1BQ

PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 1999

	NOTE	1999 £'000	1998 £'000
TURNOVER	2	10,327	9,192
Cost of Sales		<u>(7,851)</u>	<u>(6,805)</u>
GROSS PROFIT		2,476	2,387
Administration Expenses		<u>(1,303)</u>	<u>(1,315)</u>
OPERATING PROFIT	3	1,173	1,072
Interest receivable	7	<u>33</u>	<u>74</u>
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,206	1,146
Tax on profit on ordinary activities	8	<u>(372)</u>	<u>(322)</u>
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		834	824
Equity dividend paid/proposed	15	<u>(440)</u>	<u>(340)</u>
RETAINED PROFIT FOR THE YEAR TRANSFERRED TO RESERVES	13	<u>394</u>	<u>484</u>

All activities derive from continuing operations

A Statement of Total Recognised Gains and Losses is not represented as there have been no recognised gains or losses other than the profit for the year and the preceding year set out above.

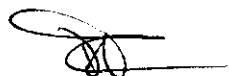
BALANCE SHEET AT 31 DECEMBER 1999

	NOTE	1999		1998	
		£'000	£'000	£'000	£'000
FIXED ASSETS					
Tangible assets	9		199		189
CURRENT ASSETS					
Debtors	10	2,411		1,114	
Cash at bank and in hand		<u>1,261</u>		<u>1,248</u>	
		3,672		2,362	
CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR					
Trade creditors		(874)		(628)	
Sundry creditors	11	<u>(1,582)</u>		<u>(902)</u>	
		<u>(2,456)</u>		<u>(1,530)</u>	
NET CURRENT ASSETS			<u>1,216</u>		<u>832</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,415</u>		<u>1,021</u>
CAPITAL AND RESERVES					
Called up share capital	12		50		50
Profit and loss account	13		<u>1,365</u>		<u>971</u>
EQUITY SHAREHOLDERS' FUNDS	14		<u>1,415</u>		<u>1,021</u>

These financial statements were approved by the Board of Directors on

2000.

Signed on behalf of the Board of Directors.



D Foreman
DIRECTOR

20th April 2000

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with applicable accounting standards. The particular accounting policies adopted are described below.

ACCOUNTING CONVENTION

These financial statements have been prepared in accordance with the historical cost convention.

TURNOVER

Turnover represents the invoiced value of goods supplied and services rendered as adjusted by the variation between opening and closing valuations of contracts in progress and after making full provision for potential claims and allowances.

TANGIBLE FIXED ASSETS AND DEPRECIATION

Depreciation is provided on a straight-line basis calculated to write down their cost over their estimated useful economic lives at the following annual rates:

Plant, equipment and fixtures	-	20% - 25%
Motor Vehicles	-	25%

OPERATING LEASES

Operating lease rentals are charged on a straight line basis over the lease terms.

STOCKS AND WORK IN PROGRESS

Stocks are valued at the lower of cost and at realisable value.

Contract work in progress is valued at cost plus attributable profit less foreseeable losses. Attributable profit is included when the outcome of a contract can be assessed with reasonable certainty. The value of contract work in progress is accounted for within turnover and in accordance with Statement of Standard Accounting Practice 9 (Revised) – Stocks and Long-term Contracts. The excess of the book value over payments receivable is included in debtors as "Amounts recoverable on contracts". Payments receivable in excess of book value on an individual contract basis are included in creditors.

Contracts in progress are valued individually at the lower of cost, including related overheads, and estimated net realisable value, provision being made for anticipated future losses where appropriate.

DEFERRED TAXATION

Provision is made and relief is taken at projected rates of taxation for timing differences between the treatment of certain items for taxation and for accounting purposes to the extent that liabilities or assets are likely to crystallise in the foreseeable future. Advance Corporation tax which is available to reduce the corporation tax payable on future profits is deducted from the provision for deferred taxation.

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

1. ACCOUNTING POLICIES (continued)**PENSIONS**

The Company participates in the Tilbury Douglas Pension Scheme, which covers all employees who are permanent members of the staff who have elected to join. Actuarial valuations are carried out every three years by independent qualified actuaries. The surplus in the Tilbury Douglas Pension Scheme, after off-setting regular pension costs and allowing for accruing interest, will, in accordance with Statement of Standard Accounting Practice 24 – Accounting for Pension Costs, be released to the profit and loss account of Tilbury Douglas Plc over the average remaining life of employees. No charge will be made to the profit and loss account of the Company until the surplus has been extinguished.

2. SEGMENTAL ANALYSIS

The Company's turnover arises in the U.K. from its ordinary activities.

3. OPERATING PROFIT

	1999 £'000	1998 £'000
Operating profit is arrived at after charging/(crediting):		
Depreciation (including adjustments for disposals)		
On owned assets	96	127
Depreciation written back on revision of fixed asset		
Depreciation rates	-	(133)
Rentals under operating leases		
Hire of plant, machinery and vehicles	65	-
Land and buildings	52	132
Remuneration payable to auditors		
Audit fees	8	3
	<hr/>	<hr/>

4. EMPLOYEES

	Number	Number
The average number employed by the company (including directors) within each category of persons was:		
Production	43	30
Sales	2	6
Administration	6	7
	<hr/>	<hr/>
	51	43
	<hr/>	<hr/>
The costs incurred in respect of these employees (including directors) were:	£'000	£'000
Wages and salaries	1,130	1,033
Social Security costs	108	99
Other pension costs	-	40
	<hr/>	<hr/>
	1,238	1,172
	<hr/>	<hr/>

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

5. PENSION COSTS

The Tilbury Douglas Pension Scheme is a defined benefit funded scheme. The last valuation of the Scheme was carried out as at 31 March 1997. The results of this valuation and details of the main actuarial assumptions adopted for this purpose are disclosed in the accounts of Tilbury Douglas Plc, the ultimate parent undertaking.

6. DIRECTORS

	1999 £'000	1998 £'000
Remuneration	77	74
	<u>77</u>	<u>74</u>
	Number	Number
Number of directors with an exercise of share options in ultimate holding company.	3	2
Number of directors to whom retirement benefits are accruing under defined benefit schemes.	4	4

7. INTEREST RECEIVABLE

	1999 £'000	1998 £'000
Group interest	<u>33</u>	<u>74</u>

8. TAX ON PROFIT ON ORDINARY ACTIVITIES

	1999 £'000	1998 £'000
UK Corporation tax at 30.25% (1998 – 31%)	372	323
Adjustments relating to prior years Corporation tax	-	(1)
	<u>372</u>	<u>322</u>

The company has an unprovided deferred tax asset of £42,286 (1998 - £51,286).

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

9. TANGIBLE FIXED ASSETS

	Motor Vehicles £'000	Plant Equip. and Fixtures £'000	Total £'000
COST			
1 January 1999	196	647	843
Additions at cost	<u>-</u>	<u>106</u>	<u>106</u>
31 December 1999	<u>196</u>	<u>753</u>	<u>949</u>
DEPRECIATION			
1 January 1999	166	488	654
Provided in year	<u>7</u>	<u>89</u>	<u>96</u>
31 December 1999	<u>173</u>	<u>577</u>	<u>750</u>
NET BOOK VALUE			
31 December 1999	<u>23</u>	<u>176</u>	<u>199</u>
NET BOOK VALUE			
31 December 1998	<u>30</u>	<u>159</u>	<u>189</u>

At 31 December 1999 the Company had annual commitments under non-cancellable operating leases as follows:

	<u>Land and Buildings</u>		<u>Other</u>	
	1999 £'000	1998 £'000	1999 £'000	1998 £'000
Commitments expiring:				
Within one year		4	12	2
In two to five years	50	-	39	53
After five years	-	18	-	-
	<u>50</u>	<u>22</u>	<u>51</u>	<u>55</u>

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

10. DEBTORS

	1999 £'000	1998 £'000
Amounts recoverable on contracts	1,118	599
Trade debtors	1,241	396
Amounts owed by group undertakings	40	8
Other debtors	2	84
Prepayments and accrued income	<u>10</u>	<u>27</u>
	<u>2411</u>	<u>1,114</u>

11. SUNDRY CREDITORS

	1999 £'000	1998 £'000
Dividend payable	317	-
Accounts owed to group undertakings	145	21
Other creditors	225	278
Corporation tax	278	322
Other taxation and social security	434	200
Accruals and deferred income	<u>183</u>	<u>81</u>
	<u>1,582</u>	<u>902</u>

12. CALLED UP SHARE CAPITAL

	1999 £'000	1998 £'000
Authorised 50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>
Allotted and fully paid 50,000 ordinary shares of £1 each	<u>50</u>	<u>50</u>

13. PROFIT AND LOSS ACCOUNT

	1999 £'000	1998 £'000
1 January 1999	971	487
Retained profit for the year	<u>394</u>	<u>484</u>
31 December 1999	<u>1,365</u>	<u>971</u>

NOTES ON THE ACCOUNTS FOR THE YEAR ENDED 31 DECEMBER 1999

14. RECONCILIATION OF MOVEMENTS IN SHAREHOLDERS' FUNDS

	1999 £'000	1998 £'000
Profit attributable to shareholders	834	824
Equity dividends paid/proposed	<u>(440)</u>	<u>(340)</u>
Movement in year	394	484
Opening shareholders' funds	<u>1,021</u>	<u>537</u>
Closing shareholders' funds	<u>1,415</u>	<u>1,021</u>

15. EQUITY DIVIDENDS PAID AND PROPOSED

	1999 £'000	1998 £'000
First interim paid		
On ordinary shares at 246p (1998 – 680p)	123	340
Proposed final		
On ordinary shares at 634p (1998 – nil)	317	-
	<u>440</u>	<u>340</u>

16. CASH FLOW STATEMENT

The Company is not presenting a cash flow statement. It has taken advantage of the exemption contained in Financial Reporting Standard 1 (Revised) – Cash Flow Statements, as the ultimate parent undertaking, Tilbury Douglas Plc, has included a consolidated cash flow statement in the group accounts.

17. ULTIMATE PARENT UNDERTAKING AND RELATED PARTY TRANSACTIONS

The Company's immediate and ultimate parent undertaking and ultimate controlling party is Tilbury Douglas Plc which is incorporated in Great Britain. The Group accounts of Tilbury Douglas Plc are available from Companies House, Crown Way, Maindy, Cardiff, CF4 3UZ.

The Company has taken advantage of the exemption contained in Financial Reporting Standard 8 – Related Party Transactions not to report transactions with Tilbury Douglas Group related parties which are disclosed in the consolidated financial statements of Tilbury Douglas Plc.