

D W Lighting Services Limited

Report and Financial Statements

30 September 2004

 **ERNST & YOUNG**



D W Lighting Services Limited

Registered No: 928643

Directors

R M Thompson BA FCA
J W Green OBE

Secretary


R M Wood FCMA FCIS

Auditors

Ernst & Young LLP
400 Capability Green
Luton
Beds
LU1 3LU

Registered office

Netherfield Lane
Stanstead Abbots
Ware
Herts
SG12 8HE

 ERNST & YOUNG

Directors' report

The directors present their report and financial statements for the year ended 30 September 2004.

Results and dividends

The profit for the year, after taxation, amounted to £178,180. The directors do not recommend the payment of any dividends.

Principal activities and review of the business

The company is principally engaged in public lighting contracting. The company has continued to carry out work on contracts to which it was committed at the start of the year and within the financial support constraints set out by its ultimate parent company, David Webster Group Limited, at the start of the year. These contracts are close to completion and the company has not entered into any other contracts during the year. In view of this, financial statements continue to be prepared on a going concern basis.

Directors

The directors at 30 September 2004 are listed on page 1.

A M English resigned as director of the company on 16 February 2004.

None of the directors of the company are beneficially interested in the company's shares. R M Thompson and J W Green were also directors of David Webster Group Limited, the ultimate parent undertaking, during the year and their interests in the ultimate parent undertaking are disclosed in the accounts of that company.

By order of the board



R M Wood FCMA FCIS
Secretary

8/3/ 2005

Statement of directors' responsibilities in respect of the financial statements

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; 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. 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.

Independent auditors' report

to the members of D W Lighting Services Limited

We have audited the company's financial statements for the year ended 30 September 2004 which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Balance Sheet and the related notes 1 to 12. These financial statements have been prepared on the basis of the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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 United Kingdom law and 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.

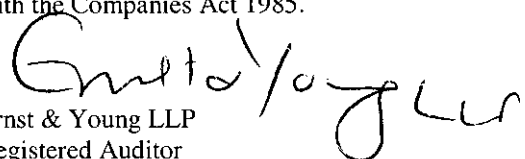
Basis of audit opinion

We conducted our audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes 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 affairs of the company as at 30 September 2004 and of its profit for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Ernst & Young LLP
Registered Auditor
Luton

29/3 2005

Profit and loss account

for the year ended 30 September 2004

	Notes	2004 £	2003 £
Turnover	3	446,101	770,000
Cost of sales		(260,177)	(557,300)
Gross profit		185,924	212,700
Administrative expenses		(579)	(147,843)
Profit on ordinary activities before taxation	4	185,345	64,857
Tax on profit on ordinary activities	6	(7,165)	–
Profit retained for the financial year		178,180	64,857

Statement of total recognised gains and losses

There are no recognised gains or losses other than the profit of £178,180 attributable to the shareholders for the year ended 30 September 2004 (2003 - £64,857).

D W Lighting Services Limited

Balance sheet

at 30 September 2004

	Notes	2004 £	2003 £
Current assets			
Debtors	7	139,373	442,015
Cash in hand		3,815	4,686
		<u>143,188</u>	<u>446,701</u>
Creditors: amounts falling due within one year	8	(667,437)	(1,149,130)
Net current liabilities		<u>(524,249)</u>	<u>(702,429)</u>
Total assets less current liabilities		<u>(524,249)</u>	<u>(702,429)</u>
Capital and reserves			
Called up share capital	10	500	500
Profit and loss account	11	(524,749)	(702,929)
Equity shareholder's deficit	11	<u>(524,249)</u>	<u>(702,429)</u>



R M Thompson BA FCA
Director

8/3/2005

Notes to the financial statements

at 30 September 2004

1. Fundamental accounting concept

The financial statements have been prepared on a going concern basis as the ultimate controlling undertaking has confirmed that it will provide continuing financial support to enable the company to meet its financial obligations as they fall due.

2. Accounting policies

Basis of preparation

The financial statements are prepared under the historical cost convention.

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 consolidated financial statements.

Related parties transactions

The company has taken advantage of the exemption available under FRS 8, Related Party Disclosures, not to disclose details of its transactions with related parties. This exemption is available as the transactions are with entities that form part of the same group and the consolidated group accounts are publicly available.

Deferred taxation

Deferred tax is recognised in respect of all timing differences, except deferred tax assets, 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. 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.

3. Turnover

Turnover is the total value of sales invoiced by the company during the year net of value added tax, adjusted for movements in the value of opening and closing uninviced work done, which is billable in accordance with contracts. Turnover is attributable to one continuing activity, public lighting contracting, and all arises in the UK.

4. Operating profit

This is stated after charging:

	2004	2003
	£	£
Auditors' remuneration - audit services	1,600	1,500
- non-audit services	550	500
	<u>2,150</u>	<u>2,000</u>

5. Staff costs

There are no employees in the company and hence no staff costs.

Notes to the financial statements

at 30 September 2004

6. Tax

(a) Tax on profit on ordinary activities

The tax charge is made up as follows:

	2004 £	2003 £
<i>Current tax:</i>		
UK corporation tax	7,165	—
Total current tax (note 6(b))	<u>7,165</u>	<u>—</u>

(b) Factors affecting current tax charge

The tax assessed on the profit on ordinary activities for the year is lower than the standard rate of corporation tax in the UK of 30% (2003: 30%). The differences are reconciled below:

	2004 £	2003 £
Profit on ordinary activities before taxation	<u>185,345</u>	<u>64,857</u>
Profit on ordinary activities at the standard rate of corporation tax in the UK	55,604	19,457
Losses utilised	(44,291)	(19,457)
Marginal relief	(4,148)	—
Total current tax (note 6(a))	<u>7,165</u>	<u>—</u>

(c) Deferred tax

The deferred taxation asset not recognised in the financial statements is as follows:

	2004 £	2003 £
Tax losses	<u>—</u>	<u>44,291</u>

The asset was not recognised in the prior year because it did not meet the recognition criteria for deferred tax assets as set out within FRS 19.

7. Debtors

	2004 £	2003 £
Trade debtors	<u>139,373</u>	<u>442,015</u>

8. Creditors: amounts falling due within one year

	2004 £	2003 £
Amounts owed to group undertakings	589,267	1,005,843
Corporation tax	7,165	—
Other taxation	5	—
Other creditors	—	18,374
Accruals and deferred income	71,000	124,913
	<u>667,437</u>	<u>1,149,130</u>

Notes to the financial statements

at 30 September 2004

9. Contingent liability

The company, the ultimate holding company and certain other group companies have jointly and severally guaranteed their bank indebtedness which is secured by fixed and floating charges on their assets. At 30 September 2004 the net indebtedness amounted to £601,476 (2003: £886,376).

The company, the ultimate holding company and certain other group companies have jointly and severally guaranteed their indebtedness in respect of finance leases which is secured by fixed and floating charges on their assets. At 30 September 2004 the net indebtedness amounted to £1,562,502 (2003: £1,652,485).

In addition, the company, the ultimate holding company and certain other group companies are jointly and severally liable in respect of Performance Bonds, granted by David Webster Limited, for the benefit of third parties amounting to £2,041,874 at 30 September 2004 (2003: £2,304,322).

10. Share capital

		2004		Authorised 2003	
		£		£	
Ordinary shares of £1 each		<u>1,000</u>		<u>1,000</u>	
		<i>Allotted, called up and fully paid</i>			
		2004		2003	
	No.	£		No.	£
Ordinary shares of £1 each	500	500		500	500

Notes to the financial statements

at 30 September 2004

11. Reconciliation of shareholders' funds and movement on reserves

	<i>Share capital</i>	<i>Profit and loss</i>	<i>Total share-</i>
	<i>£</i>	<i>account</i>	<i>holders' funds</i>
		<i>£</i>	<i>£</i>
At 1 October 2002	500	(767,786)	(767,286)
Profit for the year	–	64,857	64,857
At 30 September 2003	500	(702,929)	(702,429)
Profit for the year	–	178,180	178,180
At 30 September 2004	500	(524,749)	(524,249)

12. Parent undertaking and controlling party

The immediate parent company is David Webster Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling party is David Webster Group Limited which is incorporated in the United Kingdom. The results of this company are included within the accounts of David Webster Group Limited, copies of which are available from its registered office: Netherfield Lane, Stanstead Abbots, Ware, Hertfordshire, SG12 8HE.