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PRIDDY ELECTRICAL (CARDIFF) LIMITED

DIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31st March 1986.

PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the company is that of installation of electrical services in industrial, commercial and domestic projects. The company has shown small losses from the contracts undertaken during the year.

At 31st March 1986 the company ceased trading. The trade was transferred to a fellow subsidiary (Priddy Electrical (Bristol) Ltd.). All the assets and liabilities of the company were transferred at net book value.

PROFITS AND DIVIDENDS

The loss for the year after tax amounted to £7,399. It is recommended that no dividend be paid and this amount be transferred to reserves.

DIRECTORS

The following directors served during the year:

J. Priddy
C. Brent
W. E. Harding
C. S. Townsend (appointed 4th November 1985)

DIRECTORS' INTERESTS IN SHARES

The directors had the following interests in the shares of the company:

	Ordinary shares of £1 each	
	31st March 1986	31st March 1985 or date of appointment
J. Priddy	1	1
C. Brent	1	1
W. E. Harding	1	1
C. S. Townsend	-	-

These directors are also directors of the holding company, Priddy Group Limited, and their interests in that company are disclosed in that company's report and financial statements.

AUDITORS

In accordance with Section 384 of the Companies Act 1985, a resolution proposing the reappointment of Deloitte Haskins & Sells will be put to the annual general meeting.

BY ORDER OF THE BOARD

C. S. Townsend

Secretary



AUDITORS' REPORT TO THE MEMBERS OF
PRIDDY ELECTRICAL (CARDIFF) LIMITED

We have audited the financial statements of Priddy Electrical (Cardiff) Limited as set out on pages 3 to 9 in accordance with approved Auditing Standards.

In common with many businesses of similar size and organisation, the company's system of control is dependent upon the close involvement of the directors. Where independent confirmation of the completeness of the accounting records was therefore not available we have accepted assurances from the directors that all the company's transactions have been reflected in the records.

Subject to the foregoing, in our opinion the financial statements give a true and fair view of the state of the company's affairs at 31st March 1986 and of its loss and source and application of funds for the year ended on that date and comply with the Companies Act 1985.

Delatté Hearn -ells
Chartered Accountants

Bristol

4 December 1986

PRIDDY ELECTRICAL (CARDIFF) LIMITED

ACCOUNTING POLICIES

TURNOVER

Turnover represents the sales value of electrical contracting work done, excluding value added tax.

This is a change in accounting policy and the corresponding amounts have been restated accordingly.

FIXED ASSETS

Fixed assets are stated at cost less accumulated depreciation to date.

DEPRECIATION

Depreciation is provided under the reducing balance method at rates calculated to write off the cost of the assets over their expected useful lives. The following rates are employed:

Motor vehicles	25%
Plant	25%
Office equipment	10%

STOCKS

Stocks are stated at the lower of cost and net realisable value.

WORK IN PROGRESS

Work in progress is valued at the cost of direct materials and labour plus a percentage of the attributable profit. Full provision is made for foreseeable losses.

DEFERRED TAXATION

Deferred taxation is provided on the liability method at the rate of corporation tax ruling at the period end on timing differences only to the extent that they are likely to result in an actual tax liability in the foreseeable future.

PRIDDY ELECTRICAL (CARDIFF) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1986

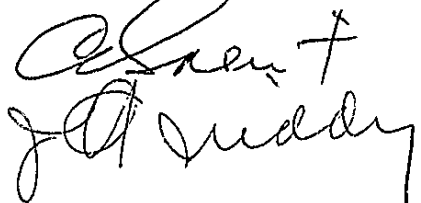
		<u>1986</u>	<u>1985</u>
		£	£
TURNOVER		17,651	299,017
Cost of sales		<u>(21,850)</u>	<u>(341,434)</u>
GROSS (LOSS)		(4,199)	(42,417)
Administrative costs		<u>4,330</u>	<u>5,083</u>
		(8,529)	(47,500)
Other operating income	1	<u>1,450</u>	<u>2,276</u>
OPERATING (LOSS)		(7,079)	(45,224)
Interest payable	2	<u>320</u>	<u>538</u>
(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(7,399)	(45,762)
Taxation	4	<u>-</u>	<u>64</u>
(LOSS) FOR YEAR		(7,399)	(45,698)
Retained profit/(loss) brought forward		<u>(38,044)</u>	<u>7,654</u>
Retained loss carried forward		<u>(45,443)</u>	<u>(38,044)</u>

PRIDDY ELECTRICAL (CARDIFF) LIMITED

BALANCE SHEET
AT 31st MARCH 1986

	<u>Notes</u>	<u>1986</u> £	<u>1985</u> £
TANGIBLE FIXED ASSETS	6	-	3,512
CURRENT ASSETS			
Stock and work in progress	7	-	12,761
Debtors	8	-	32,055
Amount due from group companies		-	7,939
Cash at bank and in hand		-	5,720
		-	58,475
CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	9	45,343	99,931
NET CURRENT LIABILITIES		(45,343)	(41,450)
TOTAL ASSETS LESS CURRENT (LIABILITIES)/ASSETS		(45,343)	(37,944)
NET (LIABILITIES)		(45,343)	(37,944)
CAPITAL AND RESERVES			
Called-up share capital	10	100 (45,443)	100 (38,044)
Profit and loss account		(45,343)	(37,944)

Approved by the Board of Directors on



) Directors

PRIDDY ELECTRICAL (CARDIFF) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31st MARCH 1986

	<u>1986</u>	<u>1985</u>
APPLICATION OF FUNDS		
Loss before taxation	7,399	45,762
Items not involving the movement of funds:		
Depreciation and loss on sale of fixed assets	<u>(951)</u>	<u>(1,134)</u>
Total lost from operations	6,448	44,628
OTHER APPLICATIONS		
Payment of corporation tax	-	115
	<u>6,448</u>	<u>44,743</u>
FUNDS FROM OTHER SOURCES		
Sale and transfer of fixed assets	<u>2,561</u>	-
Net application of funds	<u>3,887</u>	<u>44,743</u>
REPRESENTED BY THE FOLLOWING DECREASE IN WORKING CAPITAL:		
Decrease in work in progress	12,761	46,530
(Increase)/Decrease in debtors	39,994	(31,378)
(Decrease)/Increase in creditors	<u>(54,588)</u>	<u>21,565</u>
	(1,833)	36,717
MOVEMENT IN NET LIQUID FUNDS:		
Decrease in cash at bank and in hand	<u>5,720</u>	<u>8,026</u>
	<u>3,887</u>	<u>44,743</u>

PRIDDY ELECTRICAL (CARDIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 1986

1.	OTHER OPERATING INCOME	<u>1986</u>	<u>1985</u>
		£	£
	Bank deposit account interest	-	665
	Sundry income	<u>1,450</u>	<u>1,611</u>
		<u>1,450</u>	<u>2,276</u>
		<u><u> </u></u>	<u><u> </u></u>
2.	INTEREST PAYABLE	<u>1986</u>	<u>1985</u>
	Bank loans, overdrafts and hire purchase	£ 320	£ 538
		<u><u> </u></u>	<u><u> </u></u>
3.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1986</u>	<u>1985</u>
		£	£
	Profit on ordinary activities before taxation is stated after charging:		
	Auditors' remuneration	600	500
	Depreciation and loss on disposal of fixed assets	<u>951</u>	<u>1,134</u>
		<u><u> </u></u>	<u><u> </u></u>
4.	TAXATION	<u>1986</u>	<u>1985</u>
		£	£
	U.K. Corporation tax at 30%		
	- Current year	-	-
	- Previous year	<u>-</u>	<u>64</u>
		<u>-</u>	<u>64</u>
		<u><u> </u></u>	<u><u> </u></u>
5.	DIRECTORS AND EMPLOYEES	<u>1986</u>	<u>1985</u>
		£	£
	Staff costs:		
	Wages and salaries	5,241	105,192
	Social security costs	<u>593</u>	<u>12,283</u>
		<u>5,834</u>	<u>117,475</u>
		<u><u> </u></u>	<u><u> </u></u>
	The average number of persons employed during the year:	<u>Number</u>	<u>Number</u>
	Administration and management	-	4
	Site labour	<u>1</u>	<u>13</u>
		<u>1</u>	<u>17</u>
		<u><u> </u></u>	<u><u> </u></u>

PRIDDY ELECTRICAL (CARDIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 1986 (continued)

6. TANGIBLE FIXED ASSETS

	<u>Motor vehicles</u>	<u>Plant & equipment</u>	<u>Office equipment</u>	<u>Total</u>
	£	£	£	£
COST				
At 1st April 1985	6,201	285	216	6,702
Additions	-	-	-	-
Disposals	(6,201)	-	-	(6,201)
At 31st March 1986	-	285	216	501
DEPRECIATION				
At 1st April 1985	3,004	141	45	3,190
Charge for year	-	36	18	54
Eliminated via disposals	(3,004)	-	-	(3,004)
At 31st March 1986	-	177	63	240
NET BOOK VALUE				
At 31st March 1986	-	108	153	261
Transfer at NBV to Priddy Electrical (Bristol) Ltd.	-	(108)	(153)	(261)
Final value at 31st March 1986	-	-	-	-
At 1st April 1985	3,197	144	171	3,512

7. STOCK AND WORK IN PROGRESS

	<u>1986</u>	<u>1985</u>
	£	£
Work in progress	-	298,678
Payments in advance	-	(285,917)
	-	12,761

8. DEBTORS

	<u>1986</u>	<u>1985</u>
	£	£
Trade debtors	-	29,538
Other debtors	-	2,157
Value added tax	-	360
	-	32,055

PRIDDY ELECTRICAL (CARDIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 1986 (continued)

9. CREDITORS

	Amounts falling due within one year	
	1986	1985
	£	£
Trade creditors	-	793
Amounts due to holding company	-	357
Amounts due to Priddy Electrical (Bristol) Ltd.	45,343	86,756
Hire purchase	-	833
Taxation and social security	-	8,134
Value added tax	-	-
Other creditors	-	2,483
Accruals	-	575
	<u>45,343</u>	<u>99,931</u>

10. CALLED-UP SHARE CAPITAL

	<u>1986</u>	<u>1985</u>
Authorised: 1,000 Ordinary shares of £1 each	£1,000	£1,000
	<u> </u>	<u> </u>
Allotted, issued and fully paid: 100 Ordinary shares of £1 each	£100	£100
	<u> </u>	<u> </u>

97 of the issued ordinary shares of £1 each are held by Priddy Group Limited, a company incorporated in England which is the ultimate holding company.