

PRIDDY ELECTRICAL (CARDIFF) LIMITEDDIRECTORS' REPORT

The directors present their report and the financial statements for the year ended 31st March 1985.

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 suffered serious losses in the year resulting from two major contracts, one in particular, falling victim of a main contractor's bankruptcy. The company has taken all reasonable action in an endeavour to prevent this type of loss occurring in the future.

PROFITS AND DIVIDENDS

The loss for the year after tax amounted to £45,698. 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

DIRECTORS' INTERESTS IN SHARES

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

	Ordinary shares of £1 each	
	31st March 1985	31st March 1984
J. Priddy	1	1
C. Brent	1	1
W. E. Harding	1	1

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

During the year Messrs. Butterworth Jones & Co. resigned as auditors to the company and Messrs. Deloitte Haskins & Sells were appointed in their place. 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


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 1985 and of its loss and source and application of funds for the year ended on that date and comply with the Companies Act 1985.

Deloitte Haskins & Sells
Chartered Accountants

Bristol

31st October 1985

PRIDDY ELECTRICAL (CARDIFF) LIMITED

ACCOUNTING POLICIES

TURNOVER

Turnover represents the total amount receivable for electrical contracting rendered during the year, excluding value added tax.

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.

PRIDY ELECTRICAL (CARDIFF) LIMITED

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31st MARCH 1985

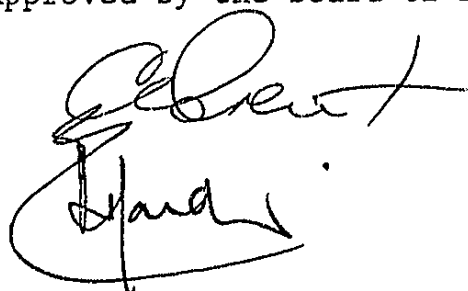
		12 months ended 31st March 1985	15 months ended 31st March 1984
		£	£
TURNOVER		247,686	301,821
Cost of sales		(290,103)	(286,899)
GROSS (LOSS)/PROFIT		(42,417)	(14,922)
Administrative costs		5,083	14,591
		(47,500)	331
Other operating income	1	2,276	2,202
OPERATING (LOSS)/PROFIT		(45,224)	2,533
Interest payable	2	538	83
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	3	(45,762)	2,450
Taxation	4	64	(915)
(LOSS)/PROFIT FOR YEAR	11	(45,698)	1,535
		<u> </u>	<u> </u>

FRIDDY ELECTRICAL (CARDIFF) LIMITED

BALANCE SHEET
AT 31st MARCH 1985

	<u>Notes</u>	<u>1985</u> £	<u>1984</u> £
TANGIBLE FIXED ASSETS	6	<u>3,512</u>	<u>4,646</u>
CURRENT ASSETS			
Stock and work in progress	7	12,761	61,291
Debtors	8	32,055	6,616
Amount due from group companies		7,939	-
Cash at bank and in hand		<u>5,720</u>	<u>13,746</u>
		<u>58,475</u>	<u>81,653</u>
CREDITORS: AMOUNTS DUE WITHIN ONE YEAR	9	<u>99,931</u>	<u>77,712</u>
NET CURRENT LIABILITIES		<u>(41,450)</u>	<u>3,941</u>
TOTAL ASSETS LESS CURRENT (LIABILITIES)/ASSETS		(37,944)	8,587
CREDITORS: AMOUNTS DUE AFTER MORE THAN ONE YEAR	9	<u>-</u>	<u>833</u>
NET (LIABILITIES)/ASSETS		<u>(37,944)</u>	<u>7,754</u>
CAPITAL AND RESERVES			
Called-up share capital	10	100	100
Profit and loss account	11	(38,044)	<u>7,654</u>
		<u>(37,944)</u>	<u>7,754</u>

Approved by the Board of Directors on 15th October 1985



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RIDDY ELECTRICAL (CARDIFF) LIMITED

STATEMENT OF SOURCE AND APPLICATION OF FUNDS
FOR THE YEAR ENDED 31st MARCH 1985

	<u>1985</u>	<u>1984</u>
APPLICATION OF FUNDS		
Loss/(Profit) before taxation	45,762	(2,450)
Items not involving the movement of funds:		
Depreciation of fixed assets	<u>(1,134)</u> 44,628	<u>(2,056)</u> (4,506)
OTHER APPLICATIONS		
Purchase of fixed assets	- <u>115</u>	6,702 <u>771</u>
Payment of corporation tax	<u>44,743</u>	<u>2,967</u>
NET APPLICATION OF FUNDS IS REPRESENTED BY THE FOLLOWING DECREASE IN WORKING CAPITAL:		
Decrease/(Increase) in work in progress	46,530	(37,029)
(Increase)/Decrease in debtors	<u>(31,378)</u>	<u>7,860</u>
Increase in creditors	<u>21,565</u> 36,717	<u>27,928</u> (1,241)
MOVEMENT IN NET LIQUID FUNDS:		
Decrease in cash at bank and in hand	<u>8,026</u> <u>44,743</u>	<u>4,208</u> <u>2,967</u>

PRIDDY ELECTRICAL (CARDIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 1985

1.	OTHER OPERATING INCOME	<u>1985</u>	<u>1984</u>
		£	£
	Bank deposit account interest	665	2,202
	Sundry income	<u>1,611</u>	<u>-</u>
		2,276	2,202
		<u><u> </u></u>	<u><u> </u></u>
2.	INTEREST PAYABLE	<u>1985</u>	<u>1984</u>
	Bank loans, overdrafts and hire purchase	£ 538	£ 83
		<u><u> </u></u>	<u><u> </u></u>
3.	PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	<u>1985</u>	<u>1984</u>
		£	£
	Profit on ordinary activities before taxation is stated after charging:		
	Auditors' remuneration	500	300
	Depreciation	<u>1,134</u>	<u>2,056</u>
		<u><u> </u></u>	<u><u> </u></u>
4.	TAXATION	<u>1985</u>	<u>1984</u>
		£	£
	U.K. Corporation tax at 30%	-	(179)
	- Current year	64	<u>(736)</u>
	- Previous year	<u>64</u>	<u>(915)</u>
		<u><u> </u></u>	<u><u> </u></u>
5.	DIRECTORS AND EMPLOYEES	<u>1985</u>	<u>1984</u>
		£	£
	Staff costs:		
	Wages and salaries	105,192	54,050
	Social security costs	<u>12,283</u>	<u>11,006</u>
		117,475	65,056
		<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	4
	Site labour	<u>13</u>	<u>13</u>
		17	17
		<u><u> </u></u>	<u><u> </u></u>

PRIDDY ELECTRICAL (CARDIFF) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 1985 (continued)**

6. TANGIBLE FIXED ASSETS

	<u>Motor vehicles</u>	<u>Office equipment</u>	<u>Plant & equipment</u>	<u>Total</u>
	£	£	£	£
COST				
At 1st April 1984	6,201	216	285	6,702
Additions	-	-	-	-
Disposals	-	-	-	-
At 31st March 1985	<u>6,201</u>	<u>216</u>	<u>285</u>	<u>6,702</u>
DEPRECIATION				
At 1st April 1984	1,938	25	93	2,056
Charge for year	1,066	20	48	1,134
Eliminated via disposals	-	-	-	-
At 31st march 1985	<u>3,004</u>	<u>45</u>	<u>141</u>	<u>3,190</u>
NET BOOK VALUE				
At 31st March 1985	<u>3,197</u>	<u>171</u>	<u>144</u>	<u>3,512</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
At 1st April 1984	<u>4,263</u>	<u>191</u>	<u>192</u>	<u>4,646</u>
	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>

7. STOCK AND WORK IN PROGRESS

	<u>1985</u>	<u>1984</u>
	£	£
Work in progress	298,678	247,347
Payments in advance	(285,917)	(186,056)
	<u>12,761</u>	<u>61,291</u>
	<u>=====</u>	<u>=====</u>

8. DEBTORS

	<u>1985</u>	<u>1984</u>
	£	£
Trade debtors	29,538	6,015
Other debtors	2,157	-
Prepayments	-	601
Value added tax	<u>360</u>	<u>-</u>
	<u>32,055</u>	<u>6,616</u>
	<u>=====</u>	<u>=====</u>

PRIDDY ELECTRICAL (CARDIFF) LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31st MARCH 1985 (continued)

9. CREDITORS

	Amounts falling due within one year		Amounts falling due after one year	
	1985	1984	1985	1984
	£	£	£	£
Trade creditors	793	362	-	-
Amounts due to holding company	357	362	-	-
Amounts due to fellow subsidiary	86,756	73,737	-	-
Hire purchase	833	2,499	-	883
Taxation and social security	8,134	-	-	-
Corporation tax	-	179	-	-
Other creditors	2,483	550	-	-
Accruals	575	28	-	-
	<u>99,931</u>	<u>77,712</u>	<u>-</u>	<u>883</u>

10. CALLED-UP SHARE CAPITAL

	<u>1985</u>	<u>1984</u>
Authorised:		
1,000 Ordinary shares of £1 each	£1,000	£1,000
Allotted, issued and fully paid:		
100 Ordinary shares of £1 each	£100	£100

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

11. PROFIT AND LOSS ACCOUNT

	<u>1985</u>	<u>1984</u>
	£	£
Balance brought forward	7,654	6,119
Retained (loss)/profit for year	(45,698)	1,535
Balance carried forward	<u>(38,044)</u>	<u>7,654</u>