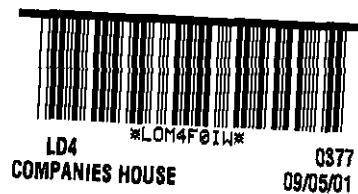


KILLBY & GAYFORD (ELECTRICAL & MECHANICAL) LIMITED

Report and Financial Statements

Year ended 31 December 2000



KILLBY & GAYFORD (ELECTRICAL & MECHANICAL) LIMITED

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000**

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KILLBY & GAYFORD (ELECTRICAL & MECHANICAL) LIMITED

**REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 DECEMBER 2000**

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

T L Smith (Chairman)
S Howe (Managing director)
J P H Vickers

SECRETARY

J W Mather

REGISTERED OFFICE

Osborne House
9-11 Macaulay Road
London SW4 0QP

AUDITORS

Deloitte & Touche
Hill House
1 Little New Street
London EC4A 3TR

DIRECTORS' REPORT

The directors present their report and financial statements for the year ended 31 December 2000.

BUSINESS REVIEW

The principal activities of the company are electrical and mechanical contracting and engineering design.

As part of a Group re-structure, on 2 March 2000, the trading activities of the company were integrated within Killby & Gayford Limited.

RESULTS AND DIVIDENDS

The loss for the year after taxation was £2,475 (1999 – profit £43,983). The directors recommend that a dividend of £18 per ordinary share be paid (1999 - £5).

DIRECTORS AND THEIR INTERESTS

The directors are shown on page 1 and served throughout the year.

R G Keeling resigned as a director on 5 July 2000.

The interests of the directors in Killby & Gayford Group Limited, the ultimate parent company, are shown in that company's accounts. The directors have no interest in any other group company.

HEALTH AND SAFETY AT WORK ACT 1974

During the year the Health and Safety Policy Statement was reviewed in the light of current best practice.

Sites, works and offices have been regularly inspected by the London Building Safety Group Limited, which continues to act as safety advisers on behalf of the company.

The company continued to pursue a policy of promoting greater awareness of health and safety with directors, staff and subcontractors attending safety seminars and training courses during the year.

AUDITORS

At an Extraordinary General Meeting held on 16 December 1994, the company adopted a resolution under the terms of Section 379A, Companies Act 1985 (as amended) to take advantage of procedural relaxations permitted by that provision. Accordingly, no Annual General Meeting is to be held, the financial statements will not be laid before the members and the auditors, Deloitte & Touche, will continue to hold office without the necessity to seek re-election.

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



T L Smith

Chairman

27 April 2001

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 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 the financial statements on a 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.

AUDITORS' REPORT TO THE MEMBERS OF KILLBY & GAYFORD (ELECTRICAL & MECHANICAL) LTD

We have audited the financial statements on pages 5 to 10 which have been prepared under the accounting policies set out on page 7.

Respective responsibilities of directors and auditors

As described on page 3 the company's directors are responsible for the preparation of financial statements which is required to be prepared in accordance with applicable United Kingdom law and accounting standards. It is our responsibility to form an independent opinion, based on our audit, on those statements and to report our opinion to you. Our responsibilities, as independent auditors, are established by statute, the Auditing Practices Board, and by our Profession's ethical guidance.

Basis of 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 the company's affairs at 31 December 2000 and of its loss for the year then ended and have been properly prepared in accordance with the Companies Act 1985.



Deloitte & Touche

Chartered Accountants and
Registered Auditors

27 April 2001

PROFIT AND LOSS ACCOUNT
Year ended 31 December 2000

	Note	2000 £	1999 £
TURNOVER	1	1,272,774	3,333,055
Cost of sales		(844,778)	(2,556,164)
Gross profit		427,996	776,891
Administrative expenses		(431,511)	(718,534)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	2	(3,515)	58,357
Tax credit/(charge) on (loss)/profit on ordinary activities	5	1,040	(14,374)
(LOSS)/PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION		(2,475)	43,983
Dividends	6	(180,000)	(50,000)
Retained loss for the year		(182,475)	(6,017)
Retained profit brought forward		186,059	192,076
Retained profit carried forward		3,584	186,059

As part of a Group re-structure, on 2 March 2000, the trading activities of the company were integrated within Killby & Gayford Limited.

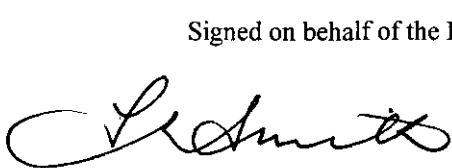
All of the company's trading activities were discontinued at the end of the current financial year. There are no recognised gains or losses for the current and preceding financial year other than as stated in the profit and loss account. There are no movements in shareholders' funds other than the recognised gains or losses for the year in both the current and preceding financial year.

BALANCE SHEET
31 December 2000

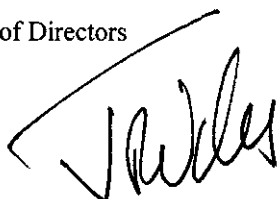
	Note	2000 £	1999 £
CURRENT ASSETS			
Stocks	7	-	13,775
Debtors	8	744,275	1,110,466
Cash at bank and in hand		4,338	51,613
		<u>748,613</u>	<u>1,175,854</u>
CREDITORS: amounts falling due within one year	9	(735,029)	(979,795)
NET CURRENT ASSETS		<u>13,584</u>	<u>196,059</u>
CAPITAL AND RESERVES			
Called up share capital	10	10,000	10,000
Profit and loss account		3,584	186,059
TOTAL EQUITY SHAREHOLDERS' FUNDS		<u>13,584</u>	<u>196,059</u>

These financial statements were approved by the Board of Directors on 27 April 2001.

Signed on behalf of the Board of Directors



T L Smith
Director



J P H Vickers
Director

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

1. ACCOUNTING POLICIES

The following accounting policies have been used consistently in dealing with items which are considered material in relation to the company's accounts.

Basis of accounting

The financial statements are prepared under the historical cost convention and in accordance with applicable Accounting Standards.

Stocks and work in progress

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

Long term contracts

Long term contract balances are stated at cost, plus where the outcome can be assessed with reasonable certainty, estimated profits attributable to the stage of completion, less provision for any known or anticipated losses and progress payments receivable on account and are included as amounts recoverable on contracts under debtors.

Advance and progress payments are included under creditors to the extent that they exceed the related long term contract balances.

Turnover

Turnover is the amount of accounts rendered (excluding value added tax) after adjusting for the value of work in progress at the beginning and the end of the year in the UK.

Pensions

Payments are made on behalf of various employees to money purchase pension schemes. These payments are charged to the profit and loss account as they fall due.

2. (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	2000 £	1999 £
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Auditors' remuneration – audit services	862	5,148
Management charge payable to the parent company	15,204	89,553

KILLBY & GAYFORD (ELECTRICAL & MECHANICAL) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2000

3. DIRECTORS' EMOLUMENTS

	2000 £	1999 £
Total directors' emoluments as executives including benefits in kind	42,745	118,829
Pension contributions	2,911	8,607
	<u>45,656</u>	<u>127,436</u>

No director accrued benefits under defined contribution pension schemes (1999 – nil).

4. PARTICULARS OF EMPLOYEES

The average number of persons employed by the company (including directors) during the year was:

	2000 No.	1999 No.
Production	2	9
Administration and management	3	11
	<u>5</u>	<u>20</u>

Their total remuneration was:	£	£
Wages, salaries and bonus	133,899	609,583
Social security costs	17,479	58,804
Other pension costs	2,530	12,877
	<u>153,908</u>	<u>681,264</u>

The Killby & Gayford Group contributes to a number of defined contribution pension schemes. The assets of these schemes are held independently from those of the group and are independently administered. The costs incurred on behalf of the employees of the company are shown above under 'other pension costs'.

5. TAX CREDIT/(CHARGE) ON (LOSS)/PROFIT ON ORDINARY ACTIVITIES

	2000 £	1999 £
UK corporation tax at 30% (1999 – 20.25%)	-	(12,148)
Group relief	1,040	(1,769)
Prior year underprovision	-	(457)
	<u>1,040</u>	<u>(14,374)</u>

6. DIVIDENDS

	2000 £	1999 £
On ordinary shares – final proposed £18 per share (1999 – £5 per share)	<u>180,000</u>	<u>50,000</u>

KILLBY & GAYFORD (ELECTRICAL & MECHANICAL) LIMITED

NOTES TO THE ACCOUNTS Year ended 31 December 2000

7. STOCKS

	2000 £	1999 £
Raw materials and consumables	-	13,775

8. DEBTORS

	2000 £	1999 £
Amounts recoverable on contracts	711,076	950,906
Trade debtors	33,199	159,460
Other debtors	-	100
	<u>744,275</u>	<u>1,110,466</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2000 £	1999 £
Bank overdraft	4,835	-
Trade creditors	64,683	286,694
Amounts owed to group undertakings	485,511	603,090
Corporation tax	-	12,148
Proposed dividends	180,000	50,000
Other creditors	-	27,863
	<u>735,029</u>	<u>979,795</u>

10. CALLED UP SHARE CAPITAL

	2000 £	1999 £
Authorised:		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>
Called up, allotted and fully paid:		
10,000 ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

11. RELATED PARTY TRANSACTIONS

No related party transactions have been disclosed between this company and the other group companies as permitted by Section 17 of the Financial Reporting Standard No. 8 – Related Party Disclosures. The names of the other group companies are shown in the accounts of Killby & Gayford Group Limited.

NOTES TO THE ACCOUNTS

Year ended 31 December 2000

12. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

The ultimate parent undertaking and controlling party is Killby & Gayford Group Limited, a company registered in England and Wales.

Killby & Gayford Group Limited is the parent undertaking of the largest group, of which Killby & Gayford (Electrical & Mechanical) Limited is a member and for which group accounts are drawn up. Copies of these group accounts have been delivered to, and are available from, the Registrar of Companies, Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

Killby & Gayford (Holdings) Limited is the parent undertaking of the smallest group of which Killby & Gayford (Electrical & Mechanical) Limited is a member and for which group accounts are drawn up. Copies of those accounts are available from the above address.